



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 965 599 614
Organisasjonsform: Aksjeselskap
Foretaksnavn: NOVARTIS NORGE AS
Forretningsadresse: Nydalsveien 28
0484 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Veronika Barrabes
Dato for fastsettelse av årsregnskapet: 28.06.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 06.07.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2	1 205 677 162	1 161 483 084
Annen driftsinntekt	2	70 579 853	81 421 023
Sum inntekter	2	1 276 257 015	1 242 904 107
Kostnader			
Varekostnad		974 467 528	871 355 347
Lønnskostnad	3	147 900 506	196 852 647
Nedskrivning av varige driftsmidler og immaterielle eiendeler	4	647 585	625 920
Annen driftskostnad		111 764 316	135 036 526
Sum kostnader		1 234 779 935	1 203 870 440
Driftsresultat		41 477 080	39 033 667
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	5	1 250 309	412 326
Annen renteinntekt	5	77 334	306 962
Sum finansinntekter		1 327 643	719 288
Rentekostnad til foretak i samme konsern	5	951 386	503 620
Annen finanskostnad	5	749 163	575 892
Sum finanskostnader		1 700 549	1 079 512
Netto finans		-372 906	-360 224
Ordinært resultat før skattekostnad		41 104 174	38 673 443
Skattekostnad på ordinært resultat	6	9 146 383	8 610 364
Ordinært resultat etter skattekostnad		31 957 791	30 063 079
Årsresultat		31 957 791	30 063 079



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	6		7 492 879
Sum immaterielle eiendeler			7 492 879
Varige driftsmidler			
Maskiner og anlegg	4	1 550 583	2 015 459
Sum varige driftsmidler		1 550 583	2 015 459
Sum anleggsmidler		1 550 583	9 508 338
Omløpsmidler			
Varer			
Varer	8	273 660 032	257 716 989
Sum varer		273 660 032	257 716 989
Fordringer			
Kundefordringer	7,9	202 987 417	141 603 313
Andre fordringer		9 416 006	4 143 038
Konsernfordringer	9	9 061 325	179 519 401
Sum fordringer		221 464 748	325 265 752
Sum omløpsmidler		495 124 780	582 982 741
SUM EIENDELER		496 675 363	592 491 079
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	10	1 500 000	1 500 000
Annen innskutt egenkapital	10	10 302 649	10 302 649
Sum innskutt egenkapital		11 802 649	11 802 649



Balanse

Beløp i: NOK	Note	2023	2022
Opptjent egenkapital			
Annen egenkapital	10	278 506 928	246 549 136
Sum opptjent egenkapital		278 506 928	246 549 136
Sum egenkapital		290 309 577	258 351 785
Gjeld			
Langsiktig gjeld			
Utsatt skatt	6	1 653 505	
Andre avsetninger for forpliktelser		277 266	345 211
Sum avsetninger for forpliktelser		1 930 771	345 211
Annen langsiktig gjeld			
Sum langsiktig gjeld		1 930 771	345 211
Kortsiktig gjeld			
Leverandørgjeld	11	24 237 119	18 376 182
Betalbar skatt	6		14 687 675
Kortsiktig konserngjeld	11	37 922 603	97 884 738
Annen kortsiktig gjeld		142 275 293	202 845 488
Sum kortsiktig gjeld		204 435 015	333 794 083
Sum gjeld		206 365 786	334 139 294
SUM EGENKAPITAL OG GJELD		496 675 363	592 491 079



Skatteetaten

Vår dato
07.09.2023

Din/Deres dato

Saksbehandler
Robin Ingebrigtsen

800 80 000
Skatteetaten.no

Din/Deres referanse

Telefon
99778267

Org.nr
974761076

Vår referanse
2023/5455899

Postadresse
Postboks 9200 Grønland
0134 OSLO

NOVARTIS NORGE AS
Postboks 4284 Nydalen
0401 OSLO

Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

Vi viser til Novartis Norge AS (org.nr. 965 599 614) sin søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra søknaden siteres:

Novartis Norge AS apply to develop Annual Accounts (Årsregnskap) and Annual Report (Årsberetning) in English. Circumstances for this is that Novartis Norge AS is owned by Novartis AG in Switzerland to make it possible for stakeholders to review the reports.

Customers to Novartis Norge AS are only companies.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives,



f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *“informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte, kunder og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at selskapets eiere er engelskspråklige og vil ikke ha mulighet for å forstå årsregnskap og årsberetning på norsk. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Magrit Kilen Stoebner
underdirektør
Innsats, storbedrift
Skatteetaten

Robin Ingebrigtsen

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



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Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of Novartis Norge AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Novartis Norge AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

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Statsautor sette revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Everum	Mo Rana	Tromsø
Aix	Finnes	Moje	Trondheim
Arendal	Hamer	Sandefjord	Tynset
Bergen	Haugesund	Stavanger	Ulsteinvik
Bode	Knarvik	Stord	Åsund
Drammen	Kristiansand	Stein	



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.



We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 28 June 2024

KPMG AS

John Thomas Sørhaug
State Authorised Public Accountant



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Annual Report 2023

Novartis Norge AS

Organization number: 965599614 MVA

The nature of the business

Novartis Norge AS engages in the marketing and sale of pharmaceuticals. The company has business premises at Nydalen Allé 37 A in Oslo.

Continuous operations

Annual accounts have been issued under the assumption of continued operations and it is confirmed that the assumption is present.

Work environment

The board believes that the working environment in the company is satisfactory.

In 2023, total sickness absence in the company was 2.57%. We consider this to be satisfactory, and no special measures have been implemented in this area.

The company has had no injuries or accidents in 2023.

Diversity is one of the cornerstones of Novartis and the company works actively with diversity and inclusion. Novartis is also a member of Diversity Charter Sweden, which is a non-profit organisation. The association works through its members to demonstrate how successful diversity management can look in practice. Through our membership of the Diversity Charter, we undertake to work actively with diversity and an inclusive approach in our own organisation.

To operate successfully as a global organisation, it is important that our employees reflect the rich diversity of cultures, ethnicities, and genders in our markets. Diversity in the workforce improves customer insight and our ability to meet the needs of patients and other stakeholders. Retaining the most qualified talent adds value to our company, our customers, our employees, our shareholders, our suppliers and the communities where we live and work.



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We consider diversity and inclusion to include, but not be limited to:

- Ethnicity
- Gender
- Religion and outlook on life
- Sexual orientation
- Age
- Education
- Nationality
- Life experiences

At Novartis, we strive to go beyond stereotypes, assumptions and prejudices to bring these differences together every day, so we can see the world through the eyes of our patients and customers, in our quest to make life longer and healthier.

Transparency Act

According to Section 5 of the Transparency Act the business must publish a statement of the enterprises' assessments on transparency and work on fundamental human rights and decent working conditions they have made. This statement is available on Novartis Norge AS website:

Novartis A4 report 2023

https://prod1.novartis.com/no-no/sites/novartis_no/files/FINAL%20signed%20Redegj%C3%B8relse%202024.pdf

Environmental

The company has a limited impact on the external environment.

Research and development

Novartis Norway is only a sales company and does not carry out any research and development.

Research and development carried out by the other group companies.

Equality

In 2023, the company employed a total of 102, and the board had 3 members. The distribution among the employees has been 74 women and 28 men. Of these, 3 are temporary employees, all of whom are women, as well as 3 employees in part-time positions, all of whom are women.



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The board consists of 2 men and 1 woman.

The average number of weeks of parental leave has been 24 for women and 16 for men.

A total of 7 women and 3 men have had parental leave.

The company has a policy that there should be no discrimination based on gender in terms of salary, promotion, and recruitment.

In FY2023, Novartis Norge AS carried out a survey of differences in salary between women and men. Outcome of the survey in total for the company is that women's wages make up 92% of men's wages. Fixed salary, bonus and other remunerations included.

Development in results and position

The income statement shows an annual profit after tax of NOK 31 957 791. The annual profit in 2022 was NOK 30,063,079. Sales has increased by 6,3% from 2022.

The board believes that the presented annual accounts give a fair picture of the company's position and operations during the year. For the pharmaceutical industry in general, the greatest uncertainty is linked to the authorities' handling of regulations that aim to limit public expenditure on pharmaceuticals. However, Novartis is well equipped with regards to patent protection and the launch of several new medicines in the coming years. Costs related to product development are borne by Novartis internationally, and Novartis Norway has no risk related to such costs.

Cash flow from operational activities was -186.9 MNOK, and the operating profit for the year was +41.1 MNOK. The discrepancy between cash flow and operating profit is entirely due to ordinary fluctuations in associated balance sheet items.

The company's short-term debt accounted for 99.9% of the company's total debt as of December 31, 2023. Compared to 99.9% on December 31, 2022.

In August 2022, Novartis globally announced its intention to separate the Sandoz business to create an independent company and in October 2023 the spin-off was completed.



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Board liability insurance

Novartis Norge AS has not taken out insurance for the board members and managing director for their possible liability towards the company and third parties.

Financial Risk

Financial risk is assessed to be low. Novartis Norge AS is owned by the Novartis group.

Novartis locally and globally can show positive trends at the end of 2023.

Market risk

The company has no significant transactions in foreign currency, and hedging transactions are considered unnecessary.

Credit risk

The company considers its credit risk to be good. The company has 3 customers which make up 94.7% of the outstanding as of December 31, 2023. The customers are wholesalers who control the pharmacy chains in Norway. Novartis Norge AS has no history with these 3 customers or other customers that indicate insolvency.

Liquidity risk

The company considers the liquidity in the company to be good and has not decided to introduce measures that change the liquidity risk. Due dates for customers are maintained. The company has a granted overdraft of NOK 20 million.

Future

The board considers the company's future to be good. In addition to good development for existing products in the market, Novartis will launch more products in the coming years.

Distribution of results

The profit in Novartis Norge AS of NOK 31 957 791 (2022: 30,063,079) is proposed to be allocated in its entirety to other equity. Total equity will then amount to NOK 290 309 577 (2022: NOK 258,351,785.)



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The Board of Novartis Norge AS

June 28, 2024

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Johan Kahlström

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28-Jun-2024 | 11:21

DocuSigned by:
Veronika Barrabés

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28-Jun-2024 | 11:15

DocuSigned by:
René Kristoffersen

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28-Jun-2024 | 12:50

Johan Kahlström

Chairman of the board

Veronika Barrabés

Board member

René Kristoffersen

Board member



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Annual Report 2023

Novartis Norge AS

Nydalen Allé 37A, 0484 OSLO

Organization number: 965599614



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Income Statement

Novartis Norge AS 01 January - 31 December

<i>Amounts in NOK</i>	Note	2023	2022
Net Sales	2	1 205 677 162	1 161 483 084
Other income	2	70 579 853	81 421 023
Total revenues		1 276 257 015	1 242 904 107
Cost of goods sold		-974 467 528	-871 355 347
Salaries and other personnel expenses	3	-147 900 506	-196 852 647
Depreciation and amortization	4	-647 585	-625 920
Other operating expenses		-111 764 316	-135 036 526
Operating profit / loss (-)		41 477 080	39 033 667
Intercompany interest received	5	1 250 309	412 326
Other financial income	5	77 334	306 962
Intercompany interest paid	5	-951 386	-503 620
Other financial expenses	5	-749 163	-575 892
Profit / loss (-) before tax		41 104 175	38 673 443
Income taxes	6	-9 146 383	-8 610 364
Profit / loss (-) for the year		31 957 791	30 063 079
<i>Net income attributable to:</i>			
Retained earnings		31 957 791	30 063 079
Total		31 957 791	30 063 079

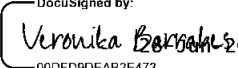


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Balance sheet


Novartis Norge AS as of 31 December

Amounts in NOK	Note	31. Dec. 2023	31. Dec. 2022
Assets			
Deferred tax assets	6	0	7 492 879
Intangible Assets		0	7 492 879
Property, plant, and equipment	4	1 550 583	2 015 459
Fixed Assets		1 550 583	2 015 459
Contract assets	7	42 598 826	0
Contract assets		42 598 826	0
Inventories	8	273 660 032	257 716 989
Trade receivables	9	160 388 591	141 603 313
Intercompany receivables	9	9 061 325	179 519 401
Other receivables		9 416 006	4 143 038
Current Assets		452 525 954	582 982 741
Total Assets		496 675 363	592 491 079
Equity and liabilities			
Share Capital		1 500 000	1 500 000
Other paid-in capital		10 302 649	10 302 649
Other equity		278 506 928	246 549 136
Total equity	10	290 309 577	258 351 785
Liabilities			
Deferred tax liability	6	1 653 505	
Provisions and obligations		277 266	345 211
Total non-current liabilities		1 930 771	345 211
Trade payables	11	24 237 119	18 376 182
Intercompany payables	11	37 922 603	97 884 738
Current tax payables	6	0	14 687 675
Public charges due		59 840 017	63 144 119
Provisions and other current liabilities		82 435 275	139 701 369
Total current liabilities		204 435 015	333 794 083
Total equity and liabilities		496 675 363	592 491 079

DocuSigned by:

Veronika Barrabes
00DF09DEAB2E473...
Managing Director/Board member

June 28, 2024
DocuSigned by:

Johan Kahlström
72E58783277842E...
Chair of the Board

DocuSigned by:

René Kristoffersen
AEF865A9C78F41A...
Board member



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Cash flow statement

Novartis Norge AS 01 January - 31 December

<i>Amounts in NOK</i>	2023	2022
Profit / (loss) before income tax	41 104 175	38 673 443
Income taxes paid	-14 687 675	-9 036 689
Depreciation, amortization and impairment losses	647 585	625 920
Changes in inventories	-15 943 043	841 483
Changes in trade and intercompany receivables	-17 628 139	6 549 697
Changes in trade and intercompany payables	-71 881 120	38 846 085
Changes in other net operating working capital	-108 509 934	73 303 960
Net cash flow from operating activities	-186 898 151	149 803 899
Purchases of property, plant, and equipment	-182 709	-1 303 300
Net cash flows from investing activities	-182 709	-1 303 300
Change in cash pool account	187 080 860	-148 500 599
Net cash flows from financing activities	187 080 860	-148 500 599
Net change in cash and cash equivalents	0	0



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Note 1 Accounting Principles

Income recognition

Revenue is generally recognized when the products are delivered to customers in their warehouse.

The consideration Novartis receives in exchange for its goods or services may be fixed or variable. Variable consideration is recognized when it is highly probable that a significant reversal will not occur. In certain cases variable element is dependent on certain future outcome events (i.e. Outcome based arrangements that are resolved over a period of up to 5 years) and these are provisioned and recorded as a revenue deduction at the time the related sales are recorded. The provision represents estimates of the related obligations, requiring the use of judgment when estimating the effect of these revenue deductions. They are calculated on the basis of historical experience and clinical data available for the product, as well as specific terms of the individual agreements. The provisions for revenue deductions under the innovative Outcome based agreements are adjusted periodically based on established processes and actual experience, including the products actual outcomes achieved compared with the anticipated predefined targets.

This method was applied to sales for Zolgensma representing 4% of total entity sales.

Significant judgements and estimates

Management has applied significant judgement and used estimates and assumptions that have affected assets, liabilities, incomes, expenses, and information about potential liabilities in accordance with generally accepted accounting principles in Norway.

For revenue including variable elements, management have applied considerable judgement in determining whether a constraint is present to preclude revenue from being recognized. In assessing whether it is highly probable that a significant revenue reversal will not occur once the uncertainty related to the outcome events is subsequently resolved, i.e. a constraint is present, management has assessed whether factors outside of the entity's influence, uncertainty about the amount is not expected to be resolved for a long period of time, experience with similar types of contracts, broad range of price concessions, broad range of possible consideration amounts and other relevant factors.

The uncertain estimate relating to the recognition of revenue from certain drugs and the contract assets in the balance sheet relating to variable consideration is calculated in an actuarial model that considers both clinical studies and experiences from patient illness recoveries on a worldwide basis within the Novartis group.

Accounting judgements, estimates and assumptions are continuously reviewed, are based on historical experience and various other factors that are believed to be reasonable and appropriate under the circumstances. Uncertainty about these judgements, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affecting future accounting periods.



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Fixed assets

Fixed assets are entered on the balance sheet and depreciated over the assets' expected lifetime if they have a lifespan of 3 years or more and have a cost price that exceeds NOK 15,000.

Direct maintenance of fixed assets is expensed on an ongoing basis under operating costs.

Expenses or improvements are added to the asset's cost price and written off in line with the asset.

Leasing

The company has leasing agreements that can be considered operational leasing agreements.

Leasing of machinery and fixed assets is treated as ordinary rent for accounting purposes.

Warehouse

Goods are valued at the lower of acquisition cost (according to the FIFO principle) and fair value.

Fair value is the estimated selling price minus costs for completion and sale.

Receivables

Accounts receivable and other receivables are entered in the balance sheet after deductions for provisions for expected losses.

Foreign currency

Receivables and liabilities in foreign currency are assessed according to the exchange rate at the end of the financial year.

Transactions in foreign currency are converted at the exchange rate at the time of the transaction.

Exchange rate changes are recognized in the income statement on an ongoing basis during the accounting period.

Pensions

The company has a defined contribution pension scheme. The cost is entered on an ongoing basis in the accounts.



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Tax

The tax cost in the income statement includes both the period's payable tax and changes in deferred tax. Deferred tax is calculated at 22% of temporary differences that exist between accounting and tax values. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are offset.

The net deferred tax benefit is recognized in the balance sheet.

Cash flow statement

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash, bank deposits, and other short-term liquid investments that can be converted immediately and with insignificant exchange rate risk into known cash amounts and with a maturity date shorter than three months from the acquisition date.

Restatement of comparative figures

For the financial year 2023, intercompany trade receivables are presented under intercompany receivables and intercompany trade payables are presented under intercompany payables. The comparative figures have been updated to reflect these changes, affecting the balance sheet and related note disclosures.



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Note 2 Revenue		
Business Segment	2023	2022
Innovative Medicines	1 065 024 815	1 090 698 771
Gene Therapy	140 652 347	70 784 313
Total	1 205 677 162	1 161 483 084

Market	2023	2022
Norway	1 205 677 162	1 161 483 084
Total	1 205 677 162	1 161 483 084



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Note 3 Salaries		
	2023	2022
Salaries	129 078 622	128 519 875
Employer´s contributions	23 530 575	21 492 396
Pensions	-314 309	14 573 698
Other remunerations	-4 394 383	32 266 678
Total	147 900 506	196 852 647

The company employed 102 man-years in the financial year (116 in 2022).

No board fee has been paid in 2023.

Salary and other allowances for the general manager in 2023 amounted to a salary of NOK 1,663,493.

Bonus paid NOK 483,478, pension NOK 40,443, options NOK 295,073, and other benefits NOK 176,470.

No loans/collateral have been given to the general manager, chairman of the board or other related parties.

There are no single loans/collaterals that amount to more than 5% of the company's equity.

The Novartis group has established an option scheme program for senior employees.

There are 2 types of options, ordinary options and restricted stock units. The accrual period is 3 years.

	2023	2022
Restricted stock units	1 509 752	2 006 241
Ordinary options	0	0
Total	1 509 752	2 006 241

	2023	2022
Booked liability related to options	2 998 845	2 696 872
Total	2 998 845	2 696 872

Pensions

The company is obliged to have a mandatory occupational pension scheme.

The company has a defined contribution pension scheme which, at the end of the year, covers 92 people.

The contribution plan amounts to between 7% and 20.1% of the salary.

The pension cost for 2023 is NOK -314,308.

Auditor´s remuneration

	2023	2022
Audit fee	321 000	302 400
Other service fee	132 750	140 000
Total Auditor´s remuneration (excluding VAT)	453 750	442 400



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Note 4 Property, plant, and equipment			
	Machines	Operating Equipment	Total
Accumulated cost			
Balance 1 January 2023	3 345 044	3 757 445	7 102 489
Additions	0	182 709	182 709
Disposal	0	0	0
Balance 31 December 2023	3 345 044	3 940 154	7 285 198
Accumulated depreciation			
Balance 1 January 2023	2 539 159	2 547 871	5 087 030
Depreciation	108 821	538 764	647 585
Balance 31 December 2023	2 647 980	3 086 635	5 734 615
Value 1 January 2023	805 885	1 209 574	2 015 459
Value 31 December 2023	697 064	853 519	1 550 583
Depreciation years	3 years	3 years	
Depreciation plan	Linear	Linear	
Office rent		2023	2022
		4 712 856	5 409 904
Yearly rent			
Machines		810 094	680 990
Operating equipment		0	0



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Note 5 Financial income & expenses		
	2023	2022
Intercompany interest received	1 250 309	412 326
Intercompany interest paid	-951 386	-503 620
Other interest	-182 015	-72 915
Other financial income	77 334	306 963
Other financial expenses	-567 147	-502 978
Total financial income & expenses	-372 905	-360 224

Note 6 Income taxes		
	2023	2022
Temporary differences		
Property, plant, and equipment	-900 906	-1 089 090
Inventory	-11 327 324	-7 183 503
Profit/loss account	1 145 194	1 431 492
Restructuring provision	-5 559 003	-26 872 228
Contract assets	42 598 826	0
Other differences	-277 266	-345 211
Total temporary differences	25 679 521	-34 058 540
Deferred tax asset (-)/liability (+)	1 653 505	-7 492 879
Profit before tax	41 104 175	38 673 443
Permanent differences	470 291	464 575
Basis for tax expense	41 574 466	39 138 018
Change temporary differences	-59 738 061	27 624 141
Basis for tax expense	-18 163 595	66 762 159
Taxable profit/loss(-)	-18 163 595	66 762 159
Payable income tax	0	14 687 675
Change previous year	0	0
Total payable tax	0	14 687 675
Change deferred tax	-9 146 384	-6 077 311
Effect changed tax rate	0	0
Tax expense	-9 146 384	8 610 364
Payable tax balance sheet	0	14 687 675
Tax effect group contribution	0	0
Payable tax	0	14 687 675



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Note 7 Contract assets

As of December 31, 2023, contract assets are recognized when the obligation under the sales contract has been performed (i.e. transfer control of goods); and the receipt is conditional on a future event not in the control of Novartis or the customer, such as a clinical outcome. Contract assets for a total amount of 50 MNOK are recognized, reduced with 7.5 MNOK provision for expected future reversals. These contract assets are expected to be realized gradually over a period of 5 years.

	2023	2022
Contract assets – non-current	40 062 609	0
Contract Asset - Current	10 018 657	0
Outcome based provision	-7 482 441	0
Total	42 598 826	0

Note 8 Inventory

	2023	2022
Finished Goods	284 987 355	264 900 492
Obsolescence	-11 327 324	-7 183 503
Total	273 660 032	257 716 989

Note 9 Trade and intercompany receivables

	2023	2022
Trade receivables	160 388 591	141 603 313
Intercompany trade receivables	9 061 325	10 218 464
In-house Bank	0	169 300 937
Total	169 449 916	321 122 714



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Note 10 Equity

<i>Amounts in NOK</i>	Share capital	Other paid-in capital	Retained earnings	Total equity
Balance at beginning of year	1 500 000	10 302 649	246 549 136	258 351 785
Profit/loss (-) for the year			31 957 791	31 957 791
Dividend				0
Balance at end of year	1 500 000	10 302 649	278 506 927	290 309 576

The share capital of NOK 1,500,000 consists of 150 shares of NOK. 10,000. All shares have equal rights.

All shares are owned by Novartis AG in Switzerland. Novartis Norge AS is consolidated into the consolidated accounts of Novartis AG. The consolidated accounts can be obtained by contacting Novartis AG, Lichtstrasse 35, CH-4056 Basel, Switzerland

Guarantees

The company has established a bank guarantee to safeguard its responsibility for tax withholding. Novartis Norge AS does not own any securities.

Novartis Norge AS is included in the international cash pool of Novartis Investments S.a.r.l. in Luxembourg with a credit facility of 250 MNOK. This leads to the liquidity being shown as a group receivable or group debt in the accounts.

Note 11 Trade and intercompany payables

	2023	2022
Trade Payables	24 237 119	18 376 182
Intercompany Trade payables	20 142 680	97 884 737
In-house Bank	17 779 923	0
Total	62 159 722	116 260 919

Note 12 Transactions with related parties

	2023	2022
Purchase of goods	1 035 914 799	1 014 529 320
Purchase of services	24 019 897	46 407 606
Sale of services	70 579 853	81 397 973
Interest expenses	0	0
Interest expenses from In-house Bank	951 386	503 620
Interest income from In-house Bank	1 250 309	412 326