Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	985 012 059
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	NAVAMEDIC ASA
Forretningsadresse:	Henrik Ibsens gate 100 0255 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Terje Bakken
Dato for fastsettelse av årsregnskapet:	30.04.2024

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, 17.07.2025

Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Andre driftsinntekter		47 632 035	46 250 087
Sum inntekter		**47 632 035**	**46 250 087**
Kostnader			
Lønnskostnad		36 829 901	30 522 890
Avskrivning på varige driftsmidler		4 351 222	4 155 732
Andre driftskostnader		40 111 819	21 328 563
Sum kostnader		**81 292 942**	**56 007 185**
Driftsresultat		**-33 660 907**	**-9 757 098**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap		41 566 536	56 940 606
Renteinntekt fra foretak i samme konsern		220 231	
Annen renteinntekt		3 599 784	6 889 004
Andre finansinntekter		3 298 259	22 575 456
Verdiendring markedsbaserte omløpsmidler		-8 698 818	-17 157 679
Sum finansinntekter		**39 985 992**	**69 247 387**
Nedskrivning av finansielle anleggsmidler			-6 413
Rentekostnad til foretak i samme konsern		8 566 636	2 441 040
Annen rentekostnad		6 788 265	1 895 952
Andre finanskostnader		11 076 088	5 855 082
Sum finanskostnader		**26 430 989**	**10 185 661**
Netto finans		**13 555 003**	**59 061 726**
Ordinært resultat før skattekostnad		**-20 105 904**	**49 304 628**
Skattekostnad på resultat		-94 382	8 332 934
Ordinært resultat etter skattekostnad		**-20 011 522**	**40 971 694**
Årsresultat		**-20 011 522**	**40 971 694**
Årsresultat etter minoritetsinteresser		**-20 011 522**	**40 971 695**

Resultatregnskap

Beløp i: NOK	Note	2023	2022
Overføringer og disponeringer			
Udekket tap		-3 795 884	31 359 385
Avsatt til annen egenkapital			9 612 309
Overført fra annen egenkapital		-16 215 638	
Sum overføringer og disponeringer		**-20 011 522**	**40 971 694**

Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter o.l.		21 514 568	23 142 459
Utsatt skattefordel		929 789	835 407
Sum immaterielle eiendeler		**22 444 357**	**23 977 866**
Varige driftsmidler			
Maskiner, inventar o. l.		382 948	602 657
Sum varige driftsmidler		**382 948**	**602 657**
Finansielle anleggsmidler			
Investering i datterselskap		415 666 447	149 660 304
Lån til foretak i samme konsern		49 148 935	
Investeringer i aksjer og andeler		1	1
Sum finansielle anleggsmidler		**464 815 383**	**149 660 305**
Sum anleggsmidler		**487 642 688**	**174 240 828**
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer		749 528	681 615
Fordringer på selskap i samme konsern		52 786 768	63 765 925
Lån til tilknyttet selskap			40 614 794
Andre kortsiktige fordringer		2 269 383	1 904 564
Sum fordringer		**55 805 679**	**106 966 898**
Investeringer			
Markedsbaserte aksjer		1 393 500	10 092 318
Sum investeringer		**1 393 500**	**10 092 318**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l		7 810 665	6 007 205
Sum bankinnskudd, kontanter og lignende		**7 810 665**	**6 007 205**

Balanse

Beløp i: NOK	Note	2023	2022
Sum omløpsmidler		**65 009 844**	**123 066 421**
SUM EIENDELER		**552 652 532**	**297 307 249**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital 17 352 777 aksjer à kr. 0,74		12 841 055	12 748 555
Overkurs		192 577 187	190 408 187
Sum innskutt egenkapital		**205 418 242**	**203 156 742**
Opptjent egenkapital			
Annen egenkapital			9 612 309
Udekket tap		3 795 884	
Sum opptjent egenkapital		**-3 795 884**	**9 612 309**
Sum egenkapital		**201 622 358**	**212 769 051**
Gjeld			
Langsiktig gjeld			
Andre avsetninger for forpliktelser		3 987 555	3 761 844
Sum avsetninger for forpliktelser		**3 987 555**	**3 761 844**
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		94 285 714	23 632 500
Langsiktig konserngjeld		50 419 264	41 031 210
Sum annen langsiktig gjeld		**144 704 978**	**64 663 710**
Sum langsiktig gjeld		**148 692 533**	**68 425 554**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner		50 823 912	
Leverandørgjeld		4 309 342	3 018 168
Skyldige offentlige avgifter		3 503 149	2 675 507
Gjeld til selskap i samme konsern		136 122 401	
Annen kortsiktig gjeld		7 578 836	10 418 967

Balanse

Beløp i: NOK	Note	2023	2022
Sum kortsiktig gjeld		**202 337 640**	**16 112 642**
Sum gjeld		**351 030 173**	**84 538 196**
SUM EGENKAPITAL OG GJELD		**552 652 531**	**297 307 247**

Konsernets resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Salgsinntekter	4	511 997 000	382 135 000
Sum inntekter		**511 997 000**	**382 135 000**
Kostnader			
Vareforbruk		312 944 000	218 615 000
Personalkostnader	16	63 673 000	48 088 000
Avskrivninger varige driftsmidler	7	3 315 000	2 392 000
Avskrivninger immaterielle eiend.	8	8 610 000	4 850 000
Andre driftskostnader	15	99 876 000	63 745 000
Sum kostnader		**488 418 000**	**337 690 000**
Driftsresultat		**23 579 000**	**44 445 000**
Finansinntekter og finanskostnader			
Resultat fra tilknyttet selskap			-1 101 000
Gevinst ved realisasjon av tilknyttet selskap			9 514 000
Andre finansinntekter		4 351 000	19 464 000
Valutagevinst		5 939 000	
Sum finansinntekter		**10 290 000**	**27 877 000**
Verdireduksjon finansielle instrumenter		8 699 000	17 158 000
Andre finanskostnader		14 337 000	3 416 000
Valutakostnader			9 242 000
Sum finanskostnader		**23 036 000**	**29 816 000**
Netto finans	17	**-12 746 000**	**-1 939 000**
Ordinært resultat før skattekostnad		**10 833 000**	**42 506 000**
Skattekostnad	26	7 529 000	13 074 000
Ordinært resultat etter skattekostnad		**3 304 000**	**29 432 000**
Årsresultat		**3 304 000**	**29 432 000**
Valutadifferanser		502 000	2 982 000

Konsernets resultatregnskap

Beløp i: NOK	Note	2023	2022
Sum resultatkomponenter for IFRS-foretak		502 000	2 982 000
Totalresultat		**3 806 000**	**32 414 000**
Overføringer og disponeringer			
Konsernfond		3 806 000	32 414 000
Sum overføringer og disponeringer		**3 806 000**	**32 414 000**

Konsernets balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Andre immaterielle eiendeler	8	97 627 000	30 537 000
Utsatt skattefordel	26	930 000	835 000
Goodwill	8	156 729 000	100 743 000
Sum immaterielle eiendeler		**255 286 000**	**132 115 000**
Varige driftsmidler			
Eiendom og utstyr	7	3 692 000	607 000
Leasede driftsmidler	9	6 060 000	6 511 000
Sum varige driftsmidler		**9 752 000**	**7 118 000**
Finansielle anleggsmidler			
Andre fordringer	18	49 149 000	
Sum finansielle anleggsmidler		**49 149 000**	
Sum anleggsmidler		**314 187 000**	**139 233 000**
Omløpsmidler			
Varer			
Varelager	11	105 200 000	79 642 000
Sum varer		**105 200 000**	**79 642 000**
Fordringer			
Kundefordringer	10	50 631 000	42 985 000
Skatt	26	14 858 000	14 909 000
Andre kortsiktige fordringer	18		40 616 000
Sum fordringer		**65 489 000**	**98 510 000**
Investeringer			
Andre finansielle instrumenter		1 393 000	10 092 000
Sum investeringer		**1 393 000**	**10 092 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd	19	38 036 000	55 296 000

Konsernets balanse

Beløp i: NOK	Note	2023	2022
Sum bankinnskudd, kontanter og lignende		**38 036 000**	**55 296 000**
Sum omløpsmidler		**210 118 000**	**243 540 000**
SUM EIENDELER		**524 305 000**	**382 773 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital		12 842 000	12 749 000
Overkurs		192 577 000	190 408 000
Sum innskutt egenkapital	13	**205 419 000**	**203 157 000**
Opptjent egenkapital			
Konsernfond		16 973 000	6 564 000
Sum opptjent egenkapital		**16 973 000**	**6 564 000**
Sum egenkapital		**222 392 000**	**209 721 000**
Gjeld			
Langsiktig gjeld			
Utsatt skatt	26	9 271 000	
Sum avsetninger for forpliktelser		**9 271 000**	
Annen langsiktig gjeld			
Ikke rentebærende gjeld	20	95 479 000	38 368 000
Lisensforpliktelser	21	3 988 000	3 762 000
Leasingforpliktelser	9	3 892 000	4 861 000
Sum annen langsiktig gjeld		**103 359 000**	**46 991 000**
Sum langsiktig gjeld		**112 630 000**	**46 991 000**
Kortsiktig gjeld			
Leverandørgjeld	14	68 300 000	65 573 000
Betalbar skatt	26	8 149 000	4 708 000
Rentebærende gjeld	20	51 067 000	13 623 000
Lisensforpliktelser	21	16 861 000	221 000

Konsernets balanse

Beløp i: NOK	Note	2023	2022
Leasingforpliktelser	9	2 453 000	1 865 000
Annen kortsiktig gjeld	14	42 453 000	40 071 000
Sum kortsiktig gjeld		**189 283 000**	**126 061 000**
Sum gjeld		**301 913 000**	**173 052 000**
SUM EGENKAPITAL OG GJELD		**524 305 000**	**382 773 000**

Navamedic

Annual report 2023

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Highlights for 2023

- In 2023, Navamedic increased revenues by 34% year-over-year to record high NOK 512 million (NOK 382 million) and for the first time, all 3 business areas passed the NOK 100 million mark.
- Adjusted EBITDA was NOK 51.6 million, same as the year before (NOK 51.7 million), demonstrating the company's capacity and ability to deliver profitable growth.
- Acquired Sensidose AB, a Swedish company, with marketing approval across ten countries in Europe for Flexilev® in MyFID® dispensers for treatment of Parkinson's disease.
- Subsequently, and in line with Navamedic's out-licensing strategy, a non-binding agreement was entered with Orion for supply of Flexilev® with OraFID® dispensers in continental Europe.
- Acquired rights to market and distribute Eroxon® in the Nordic. This clinically proven treatment of erectile dysfunction was launched in Norway in early 2024.
- Reiterated the 20% annual growth target and mid-term ambition to build a NOK 1 billion revenue company with 15% EBITDA margin.

Key figures

(in NOK '1000)	**2023**	**2022**
Total revenue	511,997	382,135
Gross profit *	199,054	163,519
Adjusted EBITDA *	51,566	51,686
Operating profit (EBIT) *	23,580	44,444
Profit before tax continuing operations	10,834	42,506
Net profit / loss (-)	3,305	29,431
Total assets	524,305	382,772
Total equity	222,391	209,720
Gross margin (%) *	38.9 %	42.8 %
Adjusted EBITDA margin (%) *	10.0 %	13.5 %
Equity ratio (%) *	42.4 %	54.8 %

* Alternative performance measures (APMs)

Comment from the CEO

Kathrine Gamborg Andreassen
Chief Executive Officer

2023 was a great year for Navamedic with many significant achievements. On one hand we reached our expressed mid-term goal of NOK 500 million in revenues a year before anticipated, while simultaneously completing the transformative Sensidose acquisition. The year can be summarized by Navamedic having delivered higher than expected growth, both organically, through acquisitions and new product launches, staying true to our strategy.

We increased revenues by 34 percent year-over-year to a record high NOK 512 million. We added NOK 130 million in revenue from 2022 to 2023 and maintained an adjusted EBITDA level of NOK 51.6 million in a year of acquisitions and significant investments in future growth. And, for the first time, all business areas surpassed NOK 100 million.

A year with many achievements

In May, we expanded Navamedic's footprint in Sweden. First, we expanded the geographic footprint by acquiring the rights to distribute and sell Alflorex® in Sweden, a food supplement providing everyday support for gut and digestive health. We also completed the acquisition of Sensidose AB, a Sweden-based company offering a unique and individualised micro-dosage treatment for advanced Parkinson's Disease. Between 1-2 percent of the population is affected by the disease and it is estimated to double by 2030, becoming an increasingly serious public health challenge. We estimate that our Flexilev® treatment is relevant to 20 percent of those affected, opening up a whole new window of opportunity for Navamedic to expand its horizons into other geographies outside the Nordics.

Commercial marketing and distribution activities are well underway in the Nordics through our own sales and distribution channels. Towards the end of the year, we signed a non-binding agreement with the Finnish multinational company Orion Corporation to market, distribute and sell Flexilev® in 27 countries in Europe, including the "big five": Germany, France, Italy, Spain, and the UK. During the second half of 2023, we landed an agreement for Navamedic to distribute and sell Eroxon, a nonprescription erectile dysfunction treatment, in the Nordics. We subsequently launched Eroxon in Norway in early 2024 and aim at launching in the other Nordic countries later during this year.

Always starting with consumer needs

At Navamedic, we are passionate about people and public health. When looking for new opportunities, we start by identifying unmet consumer and patient needs in our main territories, upon which we actively seek out potential products and partners that can help us achieve our goals.

Our portfolio can be explained by three business areas:

Prescription Drugs being the largest area with more than NOK 300 million in revenues. Revenues from Mysimba, a first-in-line prescription treatment for obesity in Norway, and currently the only obesity medication approved for reimbursement in Norway, has seen significant increases over the last few years and is the one of the main drivers for the portfolio growth. The other key driver in Prescription Drugs is Imdur, a branded generic drug to treat angina.

The second business area, Consumer Health, reached the NOK 100 million revenue mark in 2023, with Modifast being the one of the main contributors for growth. This range of low-calorie meal replacement products was part of the Impolin transaction in 2022. We also achieved solid growth for several of the other brands in Consumer Health, including Absolut Torr, Thermacare, SmectaGo and others.

Last, but not least, we have had a robust development of our products in the Hospital business area, which also reached NOK 100 million in revenues. This area consists mainly of two product portfolios, our antibiotics portfolio and the Medical Nutrition products. The main growth driver in this business area was the antibiotics portfolio, which increased mainly as a result of new tender wins, but we also saw solid growth in our Medical Nutrition portfolio.

We see rapid growth in the obesity treatment space. Mysimba continues to be the main engine in our obesity offering, but Navamedic has a range of other treatment options that can individually support patients throughout their weight loss journey, such as Modifast.

We also offer help and guidance through our patient support programs, MyControl Support and 'Lättare tillsammans', where we experience a steady increase in participants each year.

2023 also marked a milestone for Navamedic's sustainability efforts. We have taken tremendous strides in our focus on sustainability in all aspects of our operations, including identifying and delivering on our quantified targets, increased ability to quantify and analyze our carbon footprint and ensuring that our key partners in the value chain also commit themselves to responsible operations. More details on our sustainability efforts are available in the sustainability report later in this report.

Our many achievements in 2023 would not have been possible without the dedicated Navamedic team, who has worked hard every day. We strive to be a company with a cooperative work environment and to have a work culture with interesting and exciting challenges so we can live up to our aim to be a proud contributor to public health. I really believe our team's dedication to this makes a difference in our patients' lives. I would also extend my gratitude to our investors and stakeholders who have supported us along the way.

This is an incredibly exciting time for Navamedic. We continue to work towards our ambition to be a NOK 1 billion company with a 15 per cent EBITDA margin. We stand behind our vision to become a leading pharmaceutical company in the Nordics, while simultaneously being conscious of our environmental footprint. Our competitive and well-balanced portfolio enables further growth, and we continue to look for opportunities to strengthen our product range even further, both in the Nordics and elsewhere.

I look forward to keeping you all updated on our achievements as we go.

Kathrine Gamborg Andreassen (sign.)

CEO

Navamedic

Directors' report 2023

Group performance

Navamedic result for 2023

In 2023, the Group reported revenues of NOK 512.0 million, up from NOK 382.1 million in 2022, representing an increase of 34%, mainly driven by growth in Rx and Consumer health area.

The EBITDA in 2023 was NOK 35.5 million, compared to NOK 51.7 million in 2022. However, the EBITDA included NOK 16.1 million in transaction costs related to the Sensidose AB acquisition. Taking that into consideration, the EBITDA was relatively flat compared to last year, mostly as a result of continued investments in future growth initiatives.

The operating result (EBIT) in 2023 was NOK 23.6 million, compared to NOK 44.4 million in 2022. Net financials were negative NOK 12.7 million in 2023, compared to negative NOK 10.4 million last year. The profit before tax was NOK 10.8 million in 2023, down from NOK 42.5 million in 2022 while the profit after tax was NOK 3.3 million in 2023, compared to NOK 29.4 million last year.

The total comprehensive income was NOK 3.8 million in 2023, compared to NOK 32.4 million in 2022.

The Group's cash flow 2023

The Group had a net cash flow from operating activities in 2023 of NOK 2.2 million, compared to NOK 17.9 million in 2022. The decrease of NOK 15.8 million was driven by significant transaction costs related to the Sensidose AB acquisition, higher personnel costs and higher inventory levels.

Net cash used in investing activities was NOK 104.6 million in 2023, compared to NOK 25.4 million in 2022. The investing activities cash flow is primarily related to the purchase price paid for Sensidose AB in 2023, Impolin AB earn-out paid in 2023 and a loan granted to Observe Medical ASA.

The net cash flow from financing activities was NOK 83.2 million in 2023, compared to NOK 10.1 million in 2022. Net proceeds from loans equals to NOK 90.1 million and interest paid was NOK 7.3 million. Proceeds from share capital issuance are related to the share options exercised.

The cash and cash equivalents were NOK 38.0 million at 31 December 2023, compared to NOK 55.3 million at 31 December 2022.

Financial position as of 31 December 2023

The Group's consolidated total assets were NOK 524.3 million at 31 December 2022, up from NOK 382.8 million at year-end 2022. Non-current assets were NOK 314.2 million, up from NOK 139.2 million. Current assets were NOK 210.2 million compared to NOK 243.5 million at 31 December 2022. The increase in non-current assets is mainly driven by the goodwill and intangible assets related to Sensidose AB as well as reclassification of the loan to Observe Medical AS from current to non-current. The net decrease in current assets is primarily related to the loan receivables reclassification.

At the end of 2023, Navamedic had equity of NOK 222.4 million, compared to NOK 209.7 million per 31 December 2022, representing an equity ratio of 42.4%. Non-current liabilities are NOK 112.6 million per 31 December 2023 compared to NOK 47.0 million at 31 December 2022. The Group had current liabilities of NOK 189.3 million

compared to NOK 126.1 million at 31 December 2022. The increase in liabilities is driven by the new loan facility from Nordea and recognized licence liability.

Navamedic strategy and outlook

Navamedic's vision is to become a leading Nordic pharma company. Navamedic aims to continue delivering on its growth strategy both organically, by further fostering the sales of existing products, and through acquisition of new product licenses and companies. Successful acquisition and integration of Sensidose AB and Impolin AB demonstrated our capability to not only deliver on our existing portfolio growth ambitions, but to recognize the possibility for expansion into other product areas. Therefore, both growth strategies will remain equally important in the future.

We see substantial potential to include more products in the existing distribution and market access platform in the Nordic region and the Benelux countries. With a well-functioning system of logistics and distribution, as well as skilled product specialists who regularly meet with hospitals, specialists, general practitioners and pharmacies, Navamedic has the right set-up to launch new prescription and non-prescription pharmaceuticals.

The Company also actively strives to build and retain value through ownership and in-licensing as well as further development of assets, both short- and long-term. Through attaining new licensing rights and acquiring new products, the Company will increase its share of pharmaceuticals it owns the marketing rights and trademarks. Navamedic has solid expertise and capacity within this field and is constantly building a solid pipeline of products to be launched in the coming years.

Based on the growth strategy and outlook, the Board of Navamedic expects the Company to continue the positive development in 2024 and show solid growth in the coming years. Navamedic's financial targets are 20% annual growth coupled with accretive acquisitions to reach its ambition to, in the mid-term, build a 1 billion NOK company with a gross margin of 40% and an EBITDA margin of 15%.

Risk management

The operational and financial risks Navamedic is exposed to are for the most part similar to many other pharmaceutical companies, however, there are some key differences. Unlike many other pharmaceutical companies, Navamedic does not have significant product development risks and only has indirect risks related to production.

The Group's operations expose it to various types of financial risk: Market risk (including operational risk, currency risk, interest rate risk, and price risk), credit risk, and liquidity risk.

The Group is exposed to operational risk. The Group believes that such a risk will primarily arise in relation to the development of future sales of the Company's products, measured in terms of both price and volume. Factors that can influence market risk include increased competition, out-of-stock situations at its suppliers, price reductions and competition from existing and future pharmaceuticals within the Company's range of therapies.

The Company depends on supply and distribution from suppliers. The Company has supply and distribution agreements with suppliers in which the term of the agreement varies from one to eight years. The Company is dependent on renewing these agreements at fair prices and on market terms and conditions and is therefore in continuous dialogue with the key suppliers to ensure they are renewed at favorable terms.

There is a risk that some of the Company's products may face competition from new products as well as generic products. The risk of this can be reduced by a more diversified and broader portfolio of products.

Financial risk mainly consists of interest-, currency-, credit- and liquidity risks. Navamedic continuously monitors these factors and actively manages risk through its operations and through other measures. In 2023, the relative weakening of the Norwegian Krone (NOK) had a negative impact on the Group's results, most noteworthy on the gross margin.

As at 31 December 2023, the Company considered the Group's liquidity to be satisfactory.

The interest rate risk is primarily linked to the Group's liquidity and interest rates may affect the Group's borrowings and deposits. Navamedic has entered into a hedging agreement with Nordea to limit the interest rates fluctuation risk. The Company's interest rates on bank deposits and short-term liquidity investments are floating. Interest rates on external loans are based on 3-month NIBOR plus a margin.

In 2023 a substantial portion of the Group's revenue and the majority of salaries and other operating expenses were in NOK and SEK while smaller part was in DKK and EUR. Materials are generally paid for in EUR, GBP, SEK and USD. Net investments in foreign subsidiaries are exposed to currency risk in SEK. The Board assesses the Company's need for currency hedging on an ongoing basis but has currently not introduced specific hedging strategies beyond natural hedging and specific assessments in larger agreements.

Navamedic trades with third parties deemed creditworthy and generally sells its products to major actors such as pharmacy chains and wholesalers, as well as public health sectors and hospitals.

Trade receivables are continuously monitored, and the risk of incurring losses is generally regarded as low. The Group also has a factoring agreement with a third party to further reduce the risk of incurring losses on receivables.

Navamedic performs internal evaluation of climate related risks connected to its operations and important parts of the value chain. The Company currently sees limited risk and the monitoring of these risks is going to continue in the future. There has been an increased focus on the affect Navamedic has on the environment and a more comprehensive description on this can be found in the Sustainability section of this report.

Navamedic is, as most other companies, exposed to adverse developments in the geo-political arena. Imbalances and/or disruption in global markets may pose a risk to the Navamedic on-going business to the extent that our suppliers, production partners or other partners may be unable to uphold their production or deliveries. It may also lead to increased transportation costs which may in turn negatively affect Navamedic's margins. In 2023 the war in Ukraine gave a situation of some instability, however, this did not directly affect Navamedic as the Company has no suppliers, customers nor other business relations in Ukraine or Russia.

Navamedic performs regular risk assessment as stipulated by the Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Åpenhetsloven) in Norway. The report covering this risk assessment will be available at the Company's website by 30 June 2024.

Organization

The Group had 45 employees at the end of 2023, compared to 34 at the end of 2022. Most of the increase is due to the acquisition of Sensidose AB in 2023, but we have also strengthened the team in other key areas.

In accordance with the Norwegian Public Limited Liability Companies Act, the Board has prepared a report concerning pay and other benefits for executive personnel, which is partly included in note 15.

Navamedic ASA has entered into Board liability insurance for the Group's Board of Directors and CEO. The insurance covers financial claims against the Board members or CEO that may arise as a result of actions taken by the Board or CEO. The insurance policy is with a reputable firm, and it applies to Navamedic ASA as well as all of its subsidiaries.

Corporate governance

Navamedic complies with the Norwegian Code of Practice for Corporate Governance (NUES). Please see the separate section of the annual report (page 24) for the Company's corporate governance report.

The share

The Navamedic share has been listed on the Oslo Stock Exchange since 2006 with the ticker NAVA. As at 31 December 2023, the Company had 17.352.777 outstanding shares, each with a nominal value of NOK 0.74 per share, and 1,344 shareholders.

Parent company

Internal support and shared services have been organized in the parent company, Navamedic ASA, in areas where substantial economies of scale and synergies can be realized. The parent company has a master agreement on royalties from its subsidiaries Navamedic AB and Navamedic AS. The parent company holds the rights to various products that are resold by the subsidiaries and the parent company thereby earns royalties. The royalties are based on actual sales in Navamedic AB and Navamedic AS. Service fees are charged to subsidiaries covering costs for strategic development, marketing, logistics and purchasing management, as well as financial and accounting management. In addition, the parent company has activities relating to insurance, systems development and operations and other operating activities that are performed on behalf of its subsidiaries, which are also charged out.

The operating revenue in Navamedic ASA of NOK 47.6 million in 2023, compared to 46.3 million in 2022. Total operating expenses increased to NOK 81.2 million in 2023 from NOK 56.0 million in 2022 mainly due to transaction and personnel cost.

Net financial items amounted to NOK 13.5 million in 2023, compared NOK 59.0 million in 2022. Equity amounted to NOK 201.5 million compared to NOK 212.8 million in 2022.

Disposal of net result for the year and dividends

The parent company's result after tax for 2023, after the receipt of group contribution, was negative NOK 20.1 million. The Board proposes that the net result for the year be transferred to retained earnings.

Subsequent events

In February of 2024, Navamedic launched Eroxon, a breakthrough treatment of erectile dysfunction disorder in Norway. The product will be launched successively in the other Nordic countries during 2024.

Going concern

The annual financial statements have been prepared on the assumption that the Company is a going concern. The Board confirms that the basis for the Company as a going concern exists and bases its opinion on the Company and the Group's financial position, the agreements that have been signed with both suppliers and customers, expected cash flows in 2024, and the Company's financial liabilities. Due consideration has also been given to possible negative future impacts of macro-economic conditions and the world's geopolitical situation in the assessment supporting the going concern assumption.

Responsibility Statement

We confirm, to the best of our knowledge, that the consolidated financial statements for 2023 give a true and fair view of the Company's assets, liabilities, financial position, and results of operation. Furthermore, that the report provides a fair overview of the information specified in Section 5-6, fourth paragraph of the Norwegian Securities Trading Act.

The Board of Directors and CEO of Navamedic ASA

Oslo, 29 April 2024

Terje Bakken (sign.)
Chairman

Jostein Davidsen (sign.)
Board member

Edmée Steenken (sign.)
Board member

Harve Reiten (sign.)
Board member

Annika Kollén (sign.)
Board member

Åsa Kornfeld
Board member

Kathrine Gamborg Andreassen (sign.)
CEO

The Management Team and Board

Management Team

Kathrine Gamborg Andreassen
CEO

Kathrine was appointed CEO of Navamedic in January 2019 and has extensive experience from sales, marketing, and management of healthcare products. Before she was appointed CEO, Kathrine was elected as Chair of the Board in June 2018. Kathrine held the position of CEO at Weifa ASA until the company was acquired by Karo Pharma AB in November 2017. Ms Gamborg Andreassen holds an MSc in Business Strategy & Marketing from the University of Wisconsin, Madison and a Bachelor of Business and Administration from Oslo School of Business.

Lars Hjarrand
CFO

Lars joined Navamedic in December 2019. Prior to joining Navamedic Mr Hjarrand has extensive finance experience from several different companies and industries over the past 20 years. Mr Hjarrand holds a bachelor's degree in economics from University of Minnesota and an MBA in Finance from the Carlson School of Management.

Board of Directors

Terje Bakken
Chair of the Board

Terje is a partner at Reiten & Co. He has solid investor experience through leading and implementing various strategic and operational value-based processes, across different industries, combined with considerable financial transaction and finance experience. Mr Bakken holds a Master of Science in Financial Economics and Bachelor of Business and Administration degrees from BI Norwegian Business School. Mr Bakken currently sits on the Board of Directors of Observe Medical ASA (Chairman of the Board), QuestBack Group AS (Chairman of the Board) and Tivian Inc. (Chairman of the Board).

Jostein Davidsen
Board Member

Jostein has more than 30 years' experience from the international pharmaceutical industry, including managerial positions at Nycomed and Takeda Pharmaceuticals and as CEO of the Swiss company Acino Pharmaceuticals. Today he holds several Board mandates in the industry.

Narve Reiten
Board Member

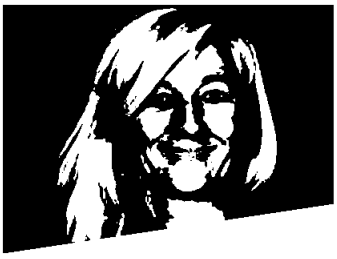
Narve is the founder of Reiten & Co and has extensive investment and operational experience in the Nordic market. Mr Reiten holds a Master of Business and Economics degree from the BI Norwegian Business School and is a Certified Financial Analyst (CFA) from the Norwegian School of Economics and Business Administration.

Edmée Jeanne Steenken
Board Member

Edmée has 25 years of experience in the pharmaceutical industry, working with global brand management and product development. She has held both global, regional and local commercial roles, and has experience in integrating and divesting portfolios.

Åsa Kornfeld
Board Member

Åsa has 25 years' experience from the international pharma industry in pricing and market access, clinical development, and health economics. She built and headed Lundbeck's corporate pricing & market access department and then had several senior management roles in consulting. Today she holds several Board mandates and is a consultant.



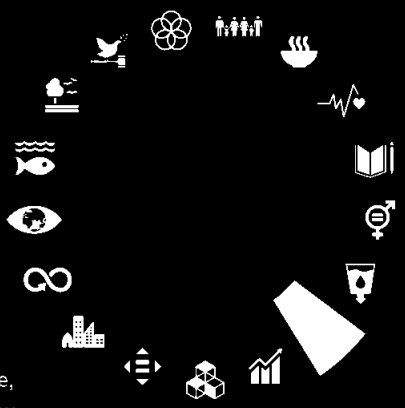
Annika Kollén
Board Member

Annika has 20 years of experience in the pharma industry in various Supply Chain Management positions such as Nordic lead at Novartis and Global head of Supply Chain at Sobi. At Inceptua she holds the position as EVP Global Supply Chain and Operations and is part of the management team.

Sustainability report

Navamedic

Contribution to the United Nations sustainable development goals



Navamedic's commitment to sustainability took tremendous strides in 2023. Not just in building a sustainable operation, but also in regard to embedding sustainability as a focus area both internally, but also up and down the supply chain. From the initial phases of Navamedic's sustainability journey, 2023 emerged as a pivotal year marked by strong commitment and concerted efforts towards our goals communicated in the 2022 ESG report.

Throughout 2023, we embraced sustainability with renewed enthusiasm, recognizing that it is no longer a mere option but a fundamental driver of resilience, growth, and long-term value creation. In this section we reflect on our great journey undertaken during this transformative year—a journey characterized by concrete actions, measurable contributions, and a steadfast dedication to sustainable practices.

Navamedic continues to base its sustainability goals and efforts on the United Nations Sustainable Development Goals (SDGs). Our assessment of which SDGs to focus on is based on where we believe our contributions are most impactful, and they are:

3 GOOD HEALTH AND WELL-BEING

- Contribute to safe and timely supplies of medicines by minimizing the risk of shortages through close collaboration with our partners included in the whole value chain
- Contribute to people's health by focusing on important medical needs, such as obesity, antibiotics and medical nutrition

8 DECENT WORK AND ECONOMIC GROWTH

- Commit to respecting fundamental human and labour rights, both in our own business and throughout the entire value chain
- Support work/life balance for employees as a flexible company
- Promote employees competence development

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Focus together with suppliers on sustainability initiatives
- Focus on packaging material of our products to reduce waste, introduce environmental-friendly alternatives and improve labelling to sort waste material

13 CLIMATE ACTION

- Transport products in a more sustainable way to reduce CO_2 emission
- Implement a travel policy to support business travel in a more sustainable way
- Constantly improve and document our environmental actions through the ISO 14001 certification and internal Environmental Management System

In light of escalating environmental challenges, such as climate change, biodiversity loss and resource depletion, organizations and the international community has rallied together to implement robust sustainability strategies aimed at mitigating adverse impacts and fostering positive change. From the adoption of renewable energy solutions to the implementation of circular economy principles, the business community has demonstrated a heightened sense of responsibility towards safeguarding our planet for future generations. Navamedic is dedicated to joining these forces and maintains close dialog with all relevant partners up and down in our value chain in order to identify and implement actions that contribute to the reduction of the environmental footprint. We recognize that product packaging, product transportation as well as company cars and business travel are the main areas where we can contribute. Below are some of the concrete actions taken and results achieved in 2023.

Product packaging optimization **Environmental**

During 2023, Navamedic, in collaboration with our product suppliers, succeeded in implementing the removal of excess plastic from one of our products packages. We also were able to reduce the size of the packaging of another product by reducing the empty space in the packaging, hence reducing the materials used. We are very pleased to see that the effect of these actions yields quantifiable contribution to our goals.

Product transport optimization **Environmental**

In 2023, Navamedic made significant strides in optimizing our transportation practices by concentrating efforts on warehouse consolidation. By reducing the number of warehouses, we aimed to streamline shipments and minimize transportation requirements. Our primary objective remains the reduction of kilometers traveled in transporting products, both from suppliers to our warehouses and from warehouses to customers. Through collaborative efforts with our customers and suppliers, we prioritize maximizing shipment loads to effectively minimize our overall environmental footprint. This commitment to efficient logistics not only enhances operational efficiency but also aligns with our broader sustainability goals.

Science based target initiative **Environmental**

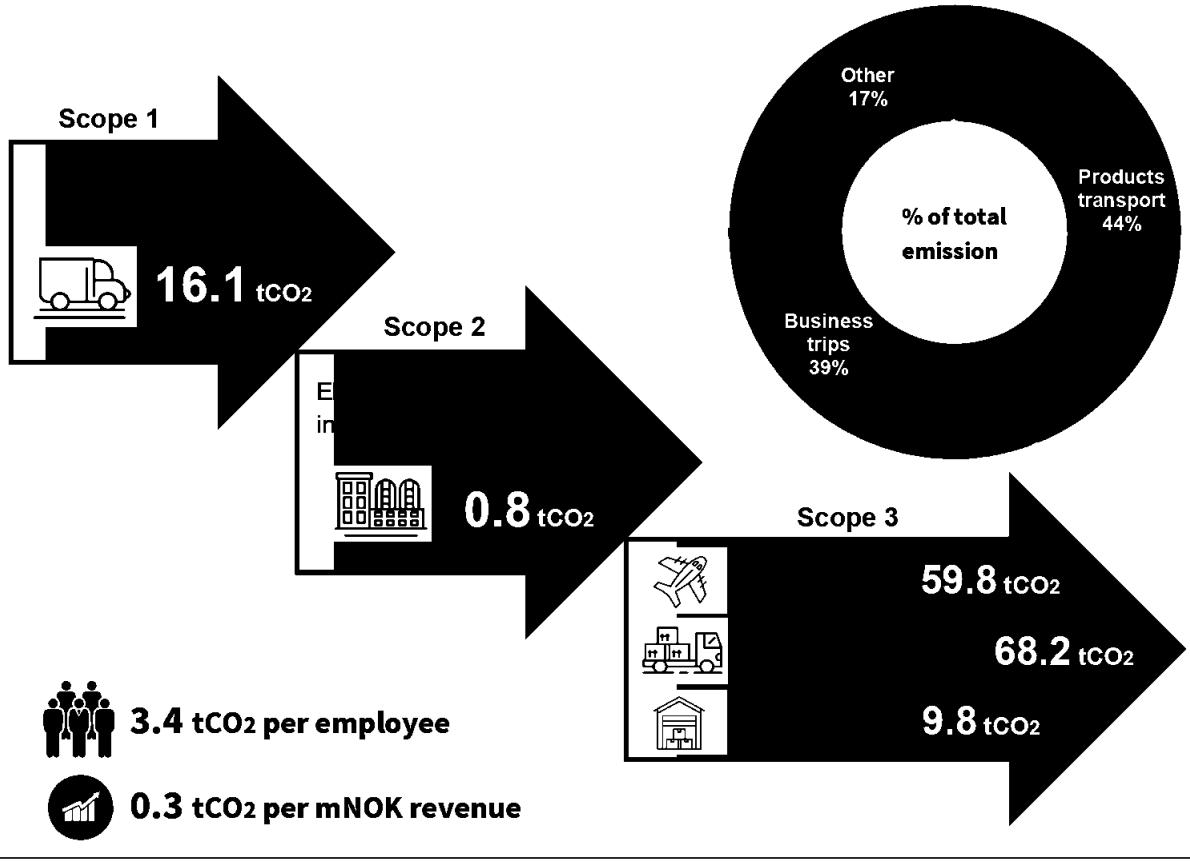
The Science Based Targets initiative, a collaboration between the CDP, the United Nations Global Compact, World Resources Institute, and the World Wide Fund for Nature, welcomed Navamedic into its ranks in 2023. Being part of this initiative affords us the opportunity to have our emissions reduction targets validated by the Science Based Targets initiative, ensuring alignment with the Paris Agreement's objectives. We take pride not only in setting comprehensive environmental goals and delineating future actions but also in ensuring that these actions are grounded in robust scientific foundations.

Recognizing the critical importance of tracking carbon emissions, Navamedic implemented robust methodologies to quantify its environmental footprint in 2023. By doing so, the company aims not only to monitor its environmental impact but also to set clear targets for emissions reduction and drive meaningful progress towards a more sustainable future. Navamedic has adopted World Favor, a renowned sustainability system, as our tool for calculating emissions across Scope 1, 2, and 3. These scopes delineate various categories of carbon emissions, each with its own significance in understanding and addressing our environmental impact.

Quantifying our environmental footprint

Environmental

Prior to 2023, Navamedic developed a methodology to collect the inputs from all aspects of our operations needed to measure total CO2 emissions. During 2023, we have collected data related to key activities such as product transportation (from our suppliers to our warehouses and from our warehouses to our customers), business trips, purchases of various goods, energy consumption, waste etc. By quantifying emissions across these scopes, we gain comprehensive insights into our carbon footprint, allowing us to identify areas for improvement and implement targeted strategies to reduce our environmental impact.



As the societal landscape continues to evolve, businesses need to reassess their roles and responsibilities within the communities they operate. Embracing principles of corporate social responsibility (CSR) and stakeholder engagement, a vast majority of companies have embarked on their sustainability journey through initiatives aimed at fostering inclusive growth, promoting diversity and equity, and addressing pressing social issues. Navamedic is actively assuming its role in this realm by actively contributing to the well-being of society, both by being an important contributor to public health and by being an attractive place to work.

Central to our social responsibility is the unwavering commitment to ensuring a stable supply of necessary pharmaceutical products in our portfolio. We recognize the vital role these products play in contribution to public health, and as such, we prioritize the reliability and accessibility of our offerings. Through proactive supply chain

management and strategic partnerships, we strive to mitigate disruptions and ensure that patients have access piato the medications they need, when they need them.

In addition to maintaining a stable supply chain, we proactively monitor and assess emerging healthcare needs to identify opportunities for innovation and product development. By staying abreast of evolving medical trends and public health challenges, we remain agile in our response, continuously seeking to address unmet medical needs and improve patient outcomes.

At the heart of our social responsibility initiatives is also our commitment to our employees. We recognize that our success is intrinsically tied to the dedication and expertise of our team members, and as such, we prioritize creating a culture of inclusion and non-discrimination, ensuring that every individual, regardless of race, gender, sexual orientation, disability, or background, feels valued, respected, and empowered within our organization. Through various initiatives, we strive to cultivate a workplace where every individual feels valued, empowered, and inspired to contribute their best. Of total 44 employees in 2023, 26 are women and 18 are men.

Lighter Together program

Social

Modifast Lighter Together is a support program to make weight management and lifestyle changes more achievable when done with others. Lighter Together is a structured program with different phases based on the Modifast method developed by a dietitian more than two decades ago. Rapid initial weight loss may increase motivation by providing positive feedback and promote further weight control behaviors, as shown in studies. Lighter Together starts with a low-calorie diet (LCD) with Modifast diet replacements following a gradual reintroduction with healthy and well-balanced meals. Physical activity is also included in the program with increasing intensity throughout. The program lasts for six weeks and provides evidence-based information, support and motivation from experienced dietitians online. The program includes dedicated newsletters several times a week and a Facebook group moderated by a dietitian where participants have the possibility to inspire and support each other during their weight journey. One main advantage of the program is that the participants start at the same time and therefore experience the different phases together throughout the process.

My control

Social

With our website MyControl, we hope to increase knowledge about obesity among the general public. The site, which highlights causes, risks and the benefits of a long-term weight loss, places great focus on the brain's role in developing and mastering the disease and, in addition to current treatment options, also addresses the importance of the right treatment. The website is available in Norwegian, Swedish, Danish and Finnish. Navamedic contributes to obesity management by providing top of the line pharmaceutical treatment that can help patients lose weight and keep a lower weight. Navamedic also educates healthcare personnel in obesity management.

6-in-1 meetings with pharmacy professionals

Social

Navamedic is proud to collaborate with five other prominent pharmaceutical companies in a program that directly engages pharmacy employees. By interacting with those who work closest with patients, we gain invaluable insights into their needs and receive constructive feedback. This engagement also offers us a chance to ensure a thorough understanding of our products within the healthcare community. We firmly believe that this initiative significantly enhances our ability to make a positive social impact by fostering better support systems for patients.

Further to this, governance considerations remain at the forefront of corporate agendas, as businesses are seeking to enhance transparency, accountability, and ethical conduct across their operations. Strengthening corporate governance frameworks, fostering board diversity, and upholding rigorous standards of integrity have become paramount objectives, ensuring that organizations uphold the highest standards of ethical behavior and decision-making. Navamedic is continuously committed to conducting its business with the highest ethical standards and ensuring compliance with applicable laws and regulations. We have therefore structured our governance on transparency principles that all relevant stakeholders need to adhere to, from our key suppliers to our customers, employees and management.

Navamedic's Code of Conduct establishes the standard for both business and personal conduct expected from all employees. It outlines our ethical expectations, commitments, and requirements applicable to all individuals representing the company, regardless of their contractual relationship. This includes employees, management, the Board of Directors, and relevant contractors. The Code of Conduct, approved by Navamedic's Board of Directors, covers essential topics such as business ethics, anti-corruption measures, workplace environment, and environmental stewardship. Additionally, Navamedic adheres to the European Federation of Pharmaceutical Industries and Associations (EFPIA) Disclosure Code. This commitment underscores our collaboration with stakeholders like patient organizations, healthcare professionals, and governments to influence research, regulatory decisions, and optimize medication use. Emphasizing transparency, EFPIA and its members advocate for mandatory registration of lobbying organizations in the EU transparency register. Furthermore, we uphold EFPIA's disclosure provisions, ensuring transparent reporting of financial support to patient organizations across Europe.

Navamedic upholds ethical standards, complying with national and international laws and guidelines on human and labor rights. We strictly prohibit corruption and bribery in any form, as outlined in our Code of Conduct. We maintain a zero-tolerance policy towards corruption in our daily operations and business interactions. Guidelines are in place for accepting gifts or benefits, and all employees are expected to identify and address potential conflicts of interest. The CEO holds ultimate responsibility for enforcing our ethical guidelines.

Navamedic Supplier code of conduct

Governance

During 2023, Navamedic launched the Supplier code of conduct, a comprehensive guideline and requirements for our suppliers describing Navamedic's expectations to our partners within various categories, including areas like human and labor rights, health & safety, sustainability, anti-bribery, child labor etc. We believe that having this document signed and committed to by our partners further strengthens our goal to work with the suppliers whose business is run according to the highest standards.

Sustainable sourcing partners

Governance

We have implemented World Favor, a sustainability software application, to distribute comprehensive questionnaires to all our partners, addressing key aspects of sustainability and governance. These questionnaires cover Business Ethics & Leadership, Environmental Practices, Sustainability Approach, and Sustainable Sourcing Approach. By leveraging this platform, we ensured that our partners adhere to the highest standards in terms of sustainability and governance across our supply chain and collaborative endeavors. This proactive approach underscores our commitment to fostering transparency, accountability, and sustainable practices throughout our ecosystem. More details on this can be found in the Norwegian Transparency Act report available on Navamedic.com.

Summary of Navamedic sustainable operations focus areas

Environmental	Social	Governance
Product packaging optimization	Contribution to public health	Anti-corruption and bribery
CO2 emission reduction	Attractive employer	Code of conduct
Waste and recycling management		Sustainable sourcing

Navamedic remains firmly committed to environmental stewardship, social responsibility, and robust governance practices. As we reflect on our current achievements, we take pride in the solid foundation we have established, but we also recognize that our journey towards sustainability is ongoing. Looking ahead, we reaffirm our dedication to continuous improvement, innovation, and transparency.

With a foundation established in the aforementioned focus areas, we have outlined clear objectives, initiatives, and measures that will guide our future actions. Some of our major targets are:

- Continuous partners evaluation and follow-up on their sustainable business practice
- Climate neutral business trips by 2030
- Stay at climate friendly hotels
- All company cars to be electric
- Continue with packaging optimization (removing unnecessary material, support recycling and use of recyclable materials
- Continue developing and maintain a robust methodology and system for CO2 emission monitoring

Corporate governance

modifast

Implementation and reporting on corporate governance

The Board of Navamedic has adopted guidelines for corporate governance in Navamedic ASA and the Group.

The Board has stipulated guidelines for ethics and corporate social responsibility that apply to all companies in the Navamedic Group. The guidelines clarify the ethical values and standards for corporate social responsibility upon which the Group's and the employees' work shall be based.

Business

Navamedic's business and purpose are described in article 3 of the articles of association, which reads:

"The Company's business is to develop, produce, market, and sell pharmaceuticals and related products, perform consultancy services in connection with this, and invest in related activities."

The Company's goals and main strategies are described on the Company's website. Its vision, goals, and core values are set out in the Company's guidelines for corporate governance and guidelines for ethics and corporate social responsibility.

Navamedic also has active risk management to ensure value creation for shareholders and safeguard societal interests in general.

The Company's vision is that the business, as it is described in the articles of association, shall be run in a sustainable manner.

Equity and dividends

Capital structure

Navamedic's registered share capital amounts to NOK 12,841,054,98 divided into 17,352,777 shares, each with a nominal value of NOK 0.74. As at 31 December 2023, equity amounted to NOK 222,900 thousand, which results in an equity ratio of 43%.

Dividends

Navamedic's dividend policy is established by the Board through the guidelines for corporate governance. Each year, in connection with the preparation of the annual financial statements, the Board assesses the Company's need for capital in the coming period. Based on this assessment, the Board issues its recommendation concerning dividends to the general meeting with the explicit goals of ensuring the Company's strategy is implemented and providing optimal value creation for the Company's shareholders.

Board authorisations

The annual general meeting on 1 June 2023 gave authorization to the Board to increase the share capital by up to NOK 2,420,000 to finance further growth. This authorization replaced the previous authorization from the annual general meeting on 2 June 2022.

The second authorization given on the annual general meeting on 1June 2023 was the authorization to the Board to acquire own shares with a maximum aggregate value of NOK 1,274,855,49. The highest amount that may be paid per share is NOK 100 and the lowest amount is NOK 1.

The third authorization given to the Board in the annual general meeting, was the granting of the right to approve dividend payouts based on the 2022 financial numbers. As of the publishing of this report, no dividend has been approved by the Board.

All authorizations are effective until the annual general meeting in 2024, but no longer than and including 30 June 2024.

Equal treatment of shareholders and transactions with close associates

The Company has one class of share and each share in the Company has one vote. The Company owned none of its own shares as at 31 December 2023.

Pursuant to the Norwegian Code of Practice for Corporate Governance, companies should have guidelines that ensure that Board members and executive personnel report to the Board if they have, direct or indirect, significant interests in an agreement entered into by the Company.

In the case of members of the Board of Navamedic, this is explicitly set out in the rules of procedure for the Board. The Company's guidelines for ethics and corporate social responsibility, which apply to all employees and Board members in the Group, contain guidelines for handling potential conflicts of interest.

The guidelines also stipulate that Navamedic's employees and the Board members should avoid having ownership interests or Board positions in other enterprises if these could be deemed likely to weaken the loyalty to Navamedic. Pursuant to the guidelines, questions concerning Board members' and executive personnel's Board positions in companies that compete with Navamedic or that are business contacts of Navamedic, must always be clarified with the Board of Navamedic.

Shares and negotiability

Pursuant to the Norwegian Code of Practice for Corporate Governance, the articles of association should not stipulate any restrictions on ownership.

The articles of association contain no restrictions on the negotiability of shares. Navamedic ASA is listed on the Oslo Stock Exchange. Navamedic also actively strives to increase the interest in the Company to attract new investors.

General meetings

Navamedic held its annual general meeting on 1 June 2023.

The notice was sent prior to the 21 days deadline and contained descriptions of the items on the agenda and the Board's proposed resolutions. The supporting documentation was prepared with the aim of enabling shareholders to arrive at a view concerning the items on the agenda. The registration deadline was set in accordance with the provision in the Company's articles of association. The notices described the procedures for taking part in and casting votes at the general meetings, as well as attendance by proxy.

The proxy forms were designed such that votes could, to the extent possible, be cast concerning each item on the agenda. In the proxy form a person was also proposed to act as a proxy for the shareholders.

The chairman of the Board attended the annual general meeting in 2023. The Company's external auditor was also present at the meeting.

Minutes of general meetings were published and made available under the Company's ticker on Newsweb and on the Company's website www.navamedic.com shortly after the meeting.

Nomination committee

The nomination committee consists of chairman Bård Brath Ingerø and member Grete Hogstad. The tasks and responsibilities of the Nomination Committee are defined as part of Navamedic’s corporate governance regime.

The Board, composition and independence

The Board of Navamedic has five ordinary members in addition to the chairman, all of whom are elected by the shareholders. The Board members and chairman of the Board are elected in the general meeting. No Board members are elected for terms of more than two years at a time. None of the Company's Board members have any special interests that prevent them from acting independently.

The Company's annual report contains information about the Board members' relevant experience and current position. The Board members have varied experience from industries such as pharmaceuticals, finance, merger and acquisitions, industry, and marketing. This experience was gained both in Norwegian and international companies, both in private and public enterprises.

It is Navamedic's opinion that, as a corporate body, the Board safeguards the best interests of the shareholders as a group. This is based on the Board's qualifications, capacity and diversity in relation to the business Navamedic operates.

In the opinion of the Board, it is desirable for Board members to own shares in the Company, but no formalized encouragement to own shares in the Company exists. Chairman of the Board Terje Bakken and Board member Narve Reiten have significant ownership in Ingerø Reiten Investment Company, Navamedic’s largest shareholder as of 31.12.2023.

No Navamedic executive personnel sits on the Company's Board of directors.

The work of the Board of directors

The Board bears overarching responsibility for the management of the Company and supervision of the day- to-day management and the Company's operations. Its main duties consist of formulating the Company's strategy and following up the implementation of this strategy. The Board also performs control functions that ensure the Company's asset management is prudent. The Board appoints the CEO.

Pursuant to the provisions of Norwegian company law, the Board has stipulated rules of procedure for the Board that provide detailed rules for the Board's functions, duties, and responsibilities.

The Board has an annual plan for its work that particularly focuses on goals, strategy, and implementation. The chairman of the Board is responsible for ensuring that the Board's work is executed effectively and correctly in accordance with the law. For matters in which the chairman of the Board is, or has been, actively involved, another Board member is nominated to chair the discussion such that the Company is assured an independent process.

A clear division of work between the Board and executive personnel has been established. The CEO is responsible for the Company's operational management.

The Board holds a minimum of six Board meetings a year, one of which is a strategy meeting. Extraordinary Board meetings are held as required to consider matters that cannot wait until the next ordinary Board meeting.

During 2023, 15 formal Board meetings were held, and the duties of the Board were also addressed through updates via phone conferences, with and without the management team present.

The Board has established an audit committee as a sub-committee to the Board. Special rules and procedures have been set out for this committee. The audit committee consists of two Board members who are independent of the Company's day-to-day management team. The authorities governing the role and responsibilities of the Audit committee has increased its tasks and responsibilities over the last years. The audit committee has taken steps to ensure it can uphold compliance with its requirements.

The Board has also established an M&A committee as a sub-committee to the Board. The M&A committee consists of two Board members, both of whom are independent of the Company’s daily operations.

The Board has the objective of conducting an annual evaluation of its work, working methods, and qualifications. A similar evaluation is also conducted of the CEO.

Risk management and internal control

The Board's supervision must ensure that the Company has good internal control routines and appropriate systems for risk management which corresponds with the scope and nature of the business being operated, including the Company's values and guidelines for ethics and corporate social responsibility. The audit committee has particular responsibility for monitoring risk management and internal control.

Navamedic is a relatively small company with a small management team, and with limited capacity. However, while the Company's size and operations are not especially extensive, there are several aspects of operating in the pharmaceutical industry that require robust routines related to internal control. The Company has established routines to ensure satisfactory internal control and risk management.

The Board will ensure that routines for internal control and risk management are developed on an ongoing basis as the scope of the Company's operations increases.

As part of its auditing services, the external auditor assesses whether there are any material weaknesses in the internal control for financial reporting. The auditor takes part in the audit committee meetings as well as Board meetings in connection with the annual accounts.

The management team emphasizes establishing good control routines in those areas that are of material importance for financial reporting. The control routines are based on an authorization structure that defines roles and responsibilities for each level of management, as well as guidelines for how one should ensure good internal control, including satisfactory routines related to division of duties.

The Board receives regular financial reports in which the Company's economic and financial status is commented on. The Company complies with the Oslo Stock Exchange's deadlines for interim reporting. The Company has chosen not to issue interim reports in accordance with IAS 34, instead it prepares and publishes a presentation for the quarter.

Accounting issues, should there be any, are analyzed immediately, and the external auditor is consulted if required. An overview of relevant questions is presented to the Board in connection with the publication of interim presentations and half-year and annual reports.

Remuneration of the Board of directors

The Board's remuneration is decided each year by the shareholders in the general meeting. The Board's remuneration is independent of the Company's results and Board members do not have stock options in the Company.

Information about the Board's remuneration for 2023 is included in note 16 to the financial statements. No Board members have special duties in relation to the Company beyond their Board position and participation in the audit committee, M&A committee and/or the remuneration committee.

Remuneration of executive personnel

In 2022, the Board set out guidelines for the remuneration of executive personnel in accordance with the provisions of the Norwegian Public Limited Liability Companies Act.

The Board's statement on executive pay is included in the annual report as well as in the separate management compensation report and considered by the general meeting in accordance with the Public Limited Liability Companies Act. No subsequent changes have been made to these guidelines.

The Board's statement on executive pay was approved by the general meeting on 1 June 2023.

Procedures and authorizations for determining the remuneration of the corporate management team are governed by the Company's rules of procedure for the Board.

The rules of procedure for the Board and the Board's statement on executive pay stipulate that all schemes that include the awarding of shares, subscription rights, options, and other forms of remuneration linked to shares or the development of the share price, must be established by the Company's general meeting.

The determination of the CEO's salary was approved by the Board and information about the remuneration of the CEO and other executive personnel in 2023 can be found in note 16 to the consolidated annual financial statements. Before determining the pay of the management team, a comparison is made with equivalent positions in companies outside the Group. Additionally, the separate report for remuneration of executive personnel, as required, can be found on the Company's web page Navamedic.com.

Information and communication

Navamedic's information and communication policies are presented in the Company's guidelines for corporate governance. The guidelines are based on the principle of the equal treatment of market actors and cover financial reporting and investor relations.

Navamedic will provide the market with accurate, consistent, and relevant information. Half-year reports and interim presentations for the Oslo Stock Exchange are published in English only.

According to the Company's guidelines for corporate governance, the Board must ensure that interim presentations issued by the Company provide a true and complete picture of the Group's financial and business positions, as well as the extent to which the Company's operational and strategic goals are achieved.

Navamedic's communication with shareholders is based on the principle that all owners should have equal access to the information. Navamedic arranges public investor presentations in connection with the publication of half-year reports and interim presentations. In these, the results are reviewed, and the development of the market and the Company's outlook are commented on.

As a minimum, the CEO and CFO take part in the presentations. For 2024, Navamedic will present interim presentations, as well as publish a half-year report and an annual report.

Take-overs

The Company's guidelines for corporate governance stipulate that in the event of potential take-overs or restructuring situations, the Board shall exercise particular care such that the assets and interests of all shareholders are safeguarded.

The guidelines for corporate governance at Navamedic also stipulate that the Norwegian Code of Practice for Corporate Governance must be followed, and the Board will follow the more detailed recommendations in this document if a potential take-over situation arises.

No take-over offers were presented to Navamedic nor its shareholders in 2023.

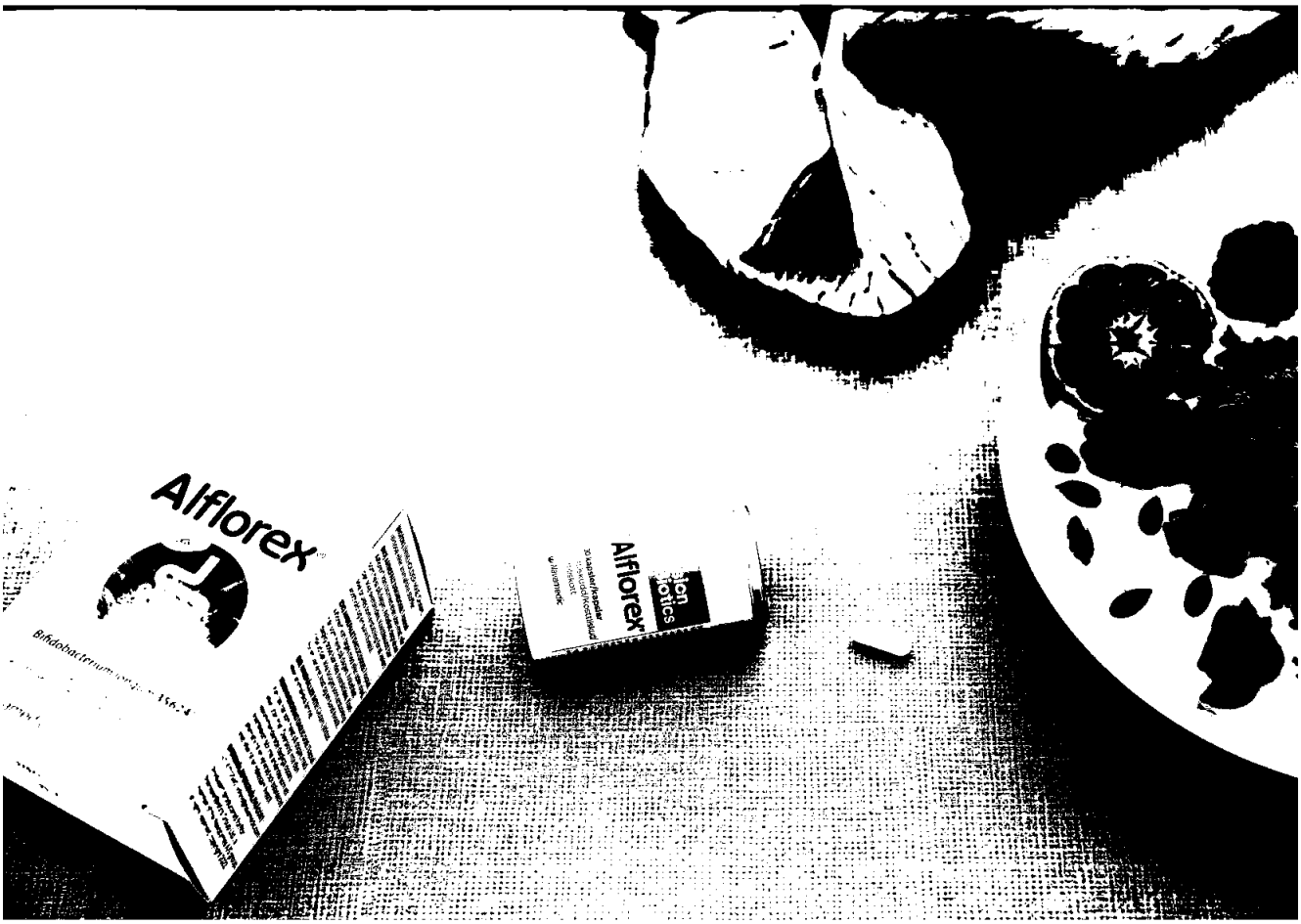
Auditor

The Company's external auditor is EY. The auditor attends Board meetings in connection with the annual financial statements and most audit committee meetings. At least one meeting a year is held between the auditor and Board without the CEO nor other member of the Company's executive management present.

The auditor presents an audit plan for the audit committee each year. According to the Company's guidelines for corporate governance, the auditor shall each year provide the Board with written confirmation that they comply with the requirements for independence and objectivity. The guidelines also stipulate that services from the auditor beyond the mandatory audit and closely related advice must only be provided following a decision by the Board or audit committee.

Navamedic

Consolidated financial statements 2023



Consolidated statement of comprehensive income

(in NOK '1000)	Note	2023	2022
Operating revenues	4	511,997	382,135
Total revenue		**511,997**	**382,135**
Cost of materials		312,944	218,615
Payroll expenses	16	63,673	48,088
Other operating expenses	15	99,876	63,745
Operating profit before depreciation and amortization (EBITDA)		**35,504**	**51,687**
Depreciation	7	3,315	2,392
Amortization	8	8,610	4,850
Operating profit (EBIT)		**23,579**	**44,445**
Income/(loss) from associated companies		**0**	**-1,101**
Gain on disposal of associated companies		**0**	**9,514**
Financial income		4,351	19,464
Financial expenses		-14,337	-3,416
Net currency gains/(losses)		5,939	-9,242
Net change in fair value of current financial assets		-8,699	-17,158
Net financial income and expenses	**17**	**-12,746**	**-10,352**
Profit before tax		**10,833**	**42,506**
Income taxes	26	7,529	13,074
Net profit / (loss)		**3,304**	**29,432**
Other comprehensive income that may be reclassified subsequently to profit or loss:			
Currency translation differences		502	2,982
Total other comprehensive income		**502**	**2,982**
Total comprehensive income		**3,806**	**32,414**
Attributable to:			
Shareholders in the parent company		3,806	32,414
Earnings per share basic (NOK)	23	0.191	1.751
Earnings per share diluted (NOK)	23	0.188	1.729

Consolidated statement of financial position

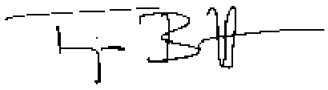
(in NOK '1000)	Note	**31.12.2023**	**31.12.2022**
Assets			
Non-current assets			
Intangible non-current assets			
Goodwill	8	156,729	100,743
Deferred tax assets	26	930	835
Other intangible assets	8	97,627	30,537
Total intangible non-current assets		**255,286**	**132,115**
Other non-current assets			
Property, plant & equipment	7	3,692	607
Right of use assets	9	6,060	6,511
Non-current loans receivable	18	49,149	0
Total other non-current assets		**58,901**	**7,118**
Total non-current assets		**314,187**	**139,233**
Current assets			
Tax receivables	26	14,858	14,909
Inventories	11	105,200	79,642
Trade and other receivables	10	50,631	42,985
Current loans receivable	18	0	40,616
Other current financial assets		1,393	10,092
Cash and cash equivalents	19	38,036	55,296
Total current assets		**210,118**	**243,540**
Total assets		**524,305**	**382,773**

Consolidated statement of financial position (cont.)

(in NOK '1000)	Note	31.12.2023	31.12.2022
Equity			
Paid in equity			
Share capital		12,842	12,749
Share premium reserve		192,577	190,408
Total paid in equity	13	**205,419**	**203,157**
Retained earnings			
Retained earnings		16,973	6,564
Total retained earnings		**16,973**	**6,564**
Total equity		**222,392**	**209,721**
Liabilities			
Non-current liabilities			
Non-current interest-bearing borrowings	20	95,479	38,368
Non-current license liabilities	21	3,988	3,762
Non-current right of use liabilities	9	3,892	4,861
Deferred tax liabilities	26	9,271	0
Total non-current liabilities		**112,630**	**46,991**
Current liabilities			
Current interest-bearing borrowings	20	51,067	13,623
Trade account payables	14	68,300	65,573
Current right of use liabilities	9	2,453	1,865
Current license liabilities	21	16,861	221
Taxes payable	26	8,149	4,708
Other current liabilities	14	42,453	40,071
Total current liabilities		**189,283**	**126,061**
Total liabilities		**301,913**	**173,052**
Total equity and liabilities		**524,305**	**382,773**

The Board of Directors and CEO of Navamedic ASA

Oslo, 29 April 2024



Terje Bakken (sign.)
Chairman

Jostein Davidsen (sign.)
Board member

Edmée Steenken (sign.)
Board member

Harve Reiten (sign.)
Board member

Annika Kollén (sign.)
Board member

Åsa Kornfeld
Board member

Kathrine Gamborg Andreassen (sign.)
CEO

Consolidated statement of changes in equity

(in NOK '1000)	Share capital	Share premium reserve	Retained earnings	Total
Balance as at 1 January 2022	**12,096**	**165,830**	**-26,689**	**151,237**
Net profit / loss (-)			29,432	29,432
Currency translations differences			2,982	2,982
Capital increase	653	24,578		25,231
Share options			839	839
Balance as at 31 December 2022	**12,749**	**190,408**	**6,564**	**209,721**
Balance as at 1 January 2023	**12,749**	**190,408**	**6,564**	**209,721**
Net profit / loss (-)			3,304	3,304
Currency translations differences			502	502
Capital increase	93	2,169		2,262
Share options			6,603	6,603
Balance as at 31 December 2023	**12,842**	**192,577**	**16,973**	**222,392**

Consolidated cash flow statement

(in NOK '1000)	Note	2023	2022
Cash flow from operating activities			
Profit before tax		10,833	42,506
Taxes paid		-5,129	-10,967
Depreciation, amortization and impairment	7,8,9	11,926	7,242
Financial income/expenses without cash flow effect		6,180	6,878
Other income/expenses without cash effect		6,603	839
Income/loss and gain from the disposal of associated companies		0	-8,413
Payment of license liabilities		-120	-112
Changes in inventory		-23,754	-17,761
Changes in trade and other receivables		-4,985	-5,255
Changes in trade and other payables		765	-4,959
Changes in other current balance sheet items		-140	7,944
Net cash flow from operating activities		**2,179**	**17,942**
Cash flow from investing activities			
Acquisition of tangible and intangible assets	7,8	-2,198	-2,251
Loans granted	18	-5,000	0
Interest received		614	70
Purchase of shares in other companies		-97,999	-23,264
Net cash flow from investing activties		**-104,583**	**-25,445**
Cash flow from financing activtities			
Loans received		145,110	24,033
Payment of loans		-54,268	-9,511
Interest paid		-7,228	-3,272
Share issues		2,262	1,198
Payment of lease liabilities		-2,641	-2,373
Net cash flow from financing activities		**83,235**	**10,075**
Changes in currency		1,909	105
Net change in cash		**-17,260**	**2,677**
Cash and cash equivalents start period		55,296	52,619
Cash and cash equivalents end period	**19**	**38,036**	**55,296**

Notes to the consolidated financial statements

Note 1 – General information

Navamedic ASA is a Nordic pharma company listed on the Oslo Stock Exchange. The Company is a reliable supplier of high-quality products, delivered to hospitals and through pharmacies, meeting the specific medical needs of patients and consumers.

The product portfolio consists of prescription and non-prescription pharmaceuticals as well as other healthcare products registered as medical nutrition, medical devices, food supplements or cosmetics.

Navamedic ASA is present in all Nordic countries, the Baltics and Benelux and has sales of specific products in other European countries like the UK and Greece.

Through its subsidiaries Navamedic AB in Sweden and Navamedic AS in Norway, the Group distributes more than 40 different product brands from over 20 international partners/brand owners and manufacturers in the Europe.

Navamedic's ambition is to grow by expanding its product portfolio and launching existing products in new markets.

Navamedic ASA is registered and based in Norway and is listed on the Oslo Stock Exchange. Its head office is at Solli Plass in Oslo. Its visiting address is Henrik Ibsens gate 100, 0255 Oslo, Norway.

Note 2 – Signficant accounting policies

In order to provide users of financial statements with better clarity over important accounting policies and basis for preparation or judgement, Navamedic has included the necessary information about material policies and estimates in the respective notes. This section outlines the significant policies that are not included in the respective notes.

2.1 Framework for preparation of the financial statements

Navamedic's consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU.

The consolidated financial statements have been prepared on the basis of historical cost.

The accounting policies applied, and the presentation of the consolidated financial information are consistent with the previous annual financial statements for the year that ended 31 December 2022.

Navamedic monitors changes in the IFRS and adopt the changes when and if relevant. For 2023, Navamedic implemented the changes in IFRS 1 to disclose material accounting policies, instead of its significant accounting policies. Amendments to accounting policies Amendments to IAS 1, Presentation of financial statements, and IFRS Practice Statement 2, making materiality Judgements, came into force on 1 January 2023. These amendments are intended to help entities to prepare more valuable disclosures on accounting policies. Information on use of accounting policies shall be regarded as material if the information can reasonably be expected to influence users' decisions and thus is necessary in order to understand other information provided on material transactions, events or conditions in the consolidated financial statements. As a result, the description of Navamedic's accounting policies is somewhat shorter, as emphasis has been placed on disclosing important policy choices made by

Navamedic. General or generic information has been deleted from the disclosure of policies in the notes. The Group has otherwise made no changes in presentation or accounting policies nor applied any new standards that materially affect its financial reporting or comparisons with previous periods.

The consolidated financial statements have been prepared on the assumption that the Group is a going concern.

2.2 Consolidation policies

A subsidiary is a company over which Navamedic ASA (directly or indirectly) has control. Control is attained when Navamedic is exposed to, or has rights to, variable returns from its engagement in a company in which it has invested and is able to influence this return by exercising power over the Company. Power means existing rights that currently provide Navamedic with the ability to steer relevant activities, i.e. the activities that affect, to a significant degree, the return from the Company that has been invested in. All subsidiaries are owned 100% and there are no minority interests.

Subsidiaries are consolidated from the date when the Group attains control and consolidation ceases when control of the subsidiary ceases.

2.3 Translation of foreign currency

a) Functional currency and presentation currency

The accounts of the individual units in the Group are measured in the currency that is mainly used in the economic area in which the unit operates (functional currency). The consolidated financial statements are presented in NOK, which is both the parent company's functional currency and its presentation currency.

b) Transactions and balance sheet items

Transactions in foreign currency are translated to the functional currency using the transaction's exchange rate. Realized currency gains and losses that arise during the settlement and translation of monetary items in foreign currency at the exchange rate on the balance sheet date are recognized through profit or loss. Currency gains and losses are presented (net) as financial income or financial expenses.

c) Group companies

The income statements and balance sheets of group companies with functional currencies different from the presentation currency are translated in the following way:

a) balance sheets are translated using the exchange rate on the balance sheet date.
b) income statements are translated using the average exchange rate for the year.
c) translation differences are recognized in other comprehensive income and specified in equity as a separate item.

Goodwill and excess values upon the acquisition of a foreign unit are treated as assets and liabilities in the acquired unit and translated at the exchange rate on the balance sheet date. Translation differences that arise are recognized in other comprehensive income.

Note 3 – Financial risk management and capital management

The Group's operations expose it to various types of financial risk, including, but not limited to market risk (including currency risk, variable interest risk, and price risk), credit risk, and liquidity risk. The Group focuses on minimizing the potential negative effects unforeseeable movements in the capital markets can have on the Group's financial results.

The Group's risk management is performed by the management team in accordance with company risk policy approved by the Board.

a) Market risk

Operational risk

The Group is exposed to operational risk. The Group believes that such a risk will primarily arise in relation to the development of future sales of the Company's products, measured in terms of both price and volume. Factors that can influence market risk include increased competition, instructions to reduce prices from the authorities, and competition from existing and future pharmaceuticals within the Company's range of therapies.

The Company depends on supply and distribution from suppliers. The Company has supply and distribution agreements with suppliers in which the term of the agreement varies from three to eight years. The Company is dependent on renewing these agreements at market prices and on market terms and conditions and is therefore in continuous dialogue with the suppliers to ensure they are renewed.

The Group is exposed to risk related to pandemic outbreaks like Covid-19. However, based on the existing portfolio of products, the Company is probably less prone to be affected to the same extent as many other companies. The demand for most of the Company's products, except for some Consumer Health products, is less likely to be affected since the end users typically use the products based on needs and cannot easily stop using them. There is a risk that some products' production and delivery could be affected in the event of long term shut down.

Navamedic is exposed to risk related to outbreak of war, like the current war in Ukraine. Navamedic has no direct business relation with neither Ukraine nor Russia, however, if the war has negative effect on prices of raw material or transportation costs, this will likely have an effect on Navamedic, although it is difficult to assess to what extent.

Currency risk

The Group is exposed to currency risk. A significant proportion of the Group's revenue and expenses are in currencies other than the functional currency in the individual entities (mostly NOK, SEK, DKK and EUR). Materials are generally paid for in EUR, SEK, GBP, USD, DKK and NOK. Most of the sales in Navamedic AB take place in Nordic currencies and EUR. Payroll and operating expenses are generally incurred in the currency of the country in which the individual company is registered. The Group has not adopted specific currency hedging strategies in relation to operations.

Variable interest rate risk

The interest rate on the Group's loans is variable. The Group manages the variable interest rates risk by entering into the interest rate hedge agreement with Nordea. Please refer to note 20 for more details about the loan terms and interest rate hedging.

b) Credit risk

The Group is exposed to no significant concentrations of credit risk. Routines have been introduced to ensure products are sold to customers with satisfactory creditworthiness. The Company's customers are largely public enterprises and larger pharmacy chains that represent a low credit risk. The level of consumer sales is relatively low. See also note 10, which shows when the Group's receivables fall due.

c) Liquidity risk

The Group's liquidity risk is considered moderate as at 31 December, and the Group's liquidity situation as at 31 December 2023 is considered to be satisfactory. As at 31 December 2023, the Group had NOK 38 million in cash and cash equivalents (NOK 55 million as at 31 December 2022). The Group has outstanding loans of NOK 110 million as well as an overdraft facility of NOK 35 million as of 31.12.2023. The Group continually monitors the liquidity risk associated with the due dates for financial liabilities.

The table below illustrates the maturity structure of liabilities:

Maturity structure of liabilities 2023

				Expected cash flows				
(in NOK '1000)	Note	**Carrying amount**	**Undiscounted amount**	**Year 1**	**Year 2**	**Year 3**	**Year 4-5**	**Total**
License liabilities	21	20,848	21,611	16,861	0	4,750	0	21,611
Liabilities to financial institutions	20	146,546	146,546	51,067	16,907	15,714	62,857	146,546
Interest on liabilities to fin. institutions	20	0	23,365	7,266	6,160	4,970	4,970	23,365
Right of use liabilities	9	6,345	6,694	2,672	2,681	1,341	0	6,694
Trade account payables	14	68,300	68,300	68,300	0	0	0	68,300
Taxes payable	26	8,149	8,149	8,149	0	0	0	8,149
Other current liabilities	14	42,454	42,454	42,454	0	0	0	42,454
Total		**292,641**	**317,118**	**196,769**	**25,748**	**26,775**	**67,827**	**317,118**

Maturity structure of liabilities 2022

				Expected cash flows				
(in NOK '1000)	Note	**Carrying amount**	**Undiscounted amount**	**Year 1**	**Year 2**	**Year 3**	**Year 4-5**	**Total**
License liabilities	21	3,982	4,971	221	0	4,750	0	4,971
Liabilities to financial institutions	20	51,992	51,992	13,623	24,467	5,561	8,341	51,992
Interest on liabilities to fin. institutions	20	0	6,087	2,851	1,986	773	477	6,087
Right of use liabilities	9	6,726	7,401	2,195	3,471	1,735	0	7,401
Trade account payables	14	65,574	65,574	65,574	0	0	0	65,574
Taxes payable	26	4,708	4,708	4,708	0	0	0	4,708
Other current liabilities	14	40,071	40,071	40,071	0	0	0	40,071
Total		**173,053**	**180,803**	**129,242**	**29,924**	**12,819**	**8,818**	**180,803**

Note 4 – Segment information and revenue from contracts with customers

Operating segments are identified based on the reporting the management team uses to evaluate performance and profitability at a strategic level. Navamedic has only one segment, the Pharma and healthcare division. The reporting structure reflects the Company's business and product composition. The Pharma and healthcare division consists of pharmaceuticals and medical nutrition products that Navamedic markets, sells and distributes to hospitals, pharmacies and patients, bought from product suppliers and manufacturers in Europe and other places. Navamedic's chief operating decision maker is the CEO.

Navamedic distributes and delivers pharmaceuticals and other products to hospitals and pharmacies, mainly in the Nordic region, but also in a number of other countries in Europe. Revenues are measured based on the transaction price specified in a contract with a customer. The Group's revenues are generated from the sale of goods, and revenue is recognized at the point in time when control of the goods transfers to the customer, typically when the Group has delivered the goods to the customer.

Navamedic classifies its products into three product categories:

- **The RX area** comprises Navamedic's prescription products and categories, including obesity, urology, neurology, and cardiology products such as Mysimba® (prescription pharmaceutical for treatment of obesity), Elmiron®/Gepan® (products for the treatment of painful bladder syndrome), Flexilev (microtablets for the treatment of Parkinson's disease) and cardiology products such as Imdur® (used to prevent angina pectoris), Nitrolingual (acute relief of angina pectoris).

- **The Consumer Health area** comprises Navamedic's over-the-counter products, available to patients without a prescription in the pharmacies or drugstore (NL only), the area includes obesity (Modifast – products for meal replacement), gastro (brands such as Alflorex, SmectaGo and Forlax), pain (ThermaCare), cough&cold and intimate (female) health.

- **Hospital** products included in tenders such as a broad portfolio of niched medical nutrition products for rare diseases such as Phenylketonuria, and intravenous antibiotics for hospital use.

Operating revenues by major markets

(in NOK '1000)	**2023**	**2022**
Norway	214,123	198,886
Sweden	158,916	96,742
Denmark	38,065	28,145
Finland	27,706	17,950
The Netherlands	54,009	26,365
Other countries	19,178	14,047
Total revenue	**511,997**	**382,135**

Operating revenues by product categories

(in NOK '1000)	**2023**	**2022**
Precription drugs (Rx)	300,304	211,667
Hospital	102,824	90,852
Consumer health	108,869	79,616
Total revenue	**511,997**	**382,135**

Non-current assets by country *

(in NOK '1000)	**2023**	**2022**
Sweden	224,501	96,447
Norway	89,686	41,950
Total	**314,186**	**138,398**

* Other than financial instruments and deferred tax assets.

Note 5 – Business combinations

The acquisition method is used for acquisitions of business. The consideration is measured at the fair value of the assets transferred, liabilities assumed, and equity instruments issued. The fair value of all assets or liabilities according to the agreement on contingent consideration is also included in the remuneration. Identifiable assets, liabilities, and contingent liabilities are recognized at their fair value on the acquisition date. Acquisitions-related costs linked business combinations are recognized as expenses when they are incurred. If the sum of the remuneration, fair value of earlier assets, and any fair value of minority interests exceeds the fair value of identifiable net assets in the acquired company, the difference is capitalized as goodwill.

Business combinations in 2023

On 29 March 2023, Navamedic submitted a cash offer to acquire all shares in Sensidose AB, a Sweden-based pharmaceutical company that sells drugs in combination with an innovative device for individual dosing, targeting patients with advanced Parkinson's disease. By 22 April, Navamedic acquired 57.2% of the shares and launched a mandatory public tender offer (MTO) for the remaining outstanding shares. Following the expiry of MTO on 26 May, Navamedic acquired 96.33% of the shares in Sensidose AB as well as 93.16% of the series T01 warrants. By the end of 2023, Navamedic owns 100% of the shares in Sensidose AB.

IFRS is not specifically addressing the accounting for an acquisition where, in the first transaction, the acquirer gains control over another entity, and which is followed by acquisition of an additional ownership interest shortly after. Since the MTO was part of the same transactions in which Navamedic gained control over Sensidose AB, and Navamedic had no discretion to reject acceptances of the offer, Navamedic considered the initial acquisition of 57.8% and the acquisition of the additional 38.53% under the MTO as one transaction as of the acquisition date 22 April 2023. The total transaction price for 100% of the shares was NOK 102.5 million. Acquisition-related cost (transaction cost) of NOK 16.1 million is reported as other operating expense.

For the period between the date of acquisition and 31 December 2023, Sensidose AB contributed NOK 5.7 million to the Group's revenues and negative NOK 6.8 million to profit before tax. If the business combination had taken place at the beginning of the year, the Group's revenues would have been NOK 514 million and profit before tax would have been NOK 3.4 million.

Following the final purchase price allocation (PPA), the fair value of other intangible assets is measured to NOK 48.6 million established and is based on estimated royalty relief incurred by owning the intellectual property rights related to the patents Sensidose owns. Correlated deferred tax liability recognized is measured at NOK 10 million. The residual amount of NOK 49.8 million is allocated to goodwill which is primarily related to the expected benefits from geographical expansion and future sale as well as expected economic benefits from the further products development. The fair value of the identifiable assets and liabilities of the business as of acquisition date is presented in the table below.

(in NOK '1000)	**Sensidose AB**
Assets	
Non-current assets	
Other intangible assets	56,757
Property, plant and equipment	2,648
Total non-current assets	**59,405**
Current assets	
Inventories	1,803
Trade and other receivables	2,661
Cash	9,467
Total current assets	**13,931**
Total assets	**73,336**
Liabilities	
Non-current liabilities	
Loans and borrowings	1,810
Total non-current liabilities	**1,810**
Current liabilities	
Loans and borrowings	602
Trade and other payables	1,961
Other current liabilities	6,251
Deferred tax liability	10,007
Total current liabilities	**18,821**
Total liabilities	**20,632**
Net identifiable assets	**52,705**
Goodwill	49,840
Total consideration for the shares	**102,544**

Business combinations in 2022

On 5 May 2022, Navamedic entered into a share purchase agreement with Agnvicen AB to acquire 100% of the shares in Impolin AB. Impolin AB (Impolin), a Swedish-based, independent distributor of products that benefit the health and wellbeing of consumers and patients. Impolin's portfolio includes Modifast, a range of diet and meal replacement products, and MedMade, a multivitamin and minerals tablet for post-bariatric surgery supplementation, which are products aimed at supporting patients during weight loss or obesity treatment, including bariatric surgery. Impolin's third product is Absolut Torr/Absolute Dry, extra effective antiperspirants primarily for hyperhidrosis, excessive sweating. The addition of Modifast and MedMade is set to broaden Navamedic's current product offering within the area of obesity treatment and enables Navamedic to support patients throughout the entire weight loss journey. This agreement supports Navamedic's ambition to become a leading Nordic provider of specialized, high-quality products to hospitals and pharmacies.

The closing date for the transaction was 1 June 2022. The final purchase price is SEK 55 million and includes the pre-agreed milestone payment of SEK 5 million. Navamedic settled SEK 25 million of the purchase price by issuing new shares to the seller. The milestone consideration of SEK 5 million was paid out in 2023. The fair values of the identifiable assets and liabilities of the business as at the acquisition date are as follows.

(in NOK '1000)	**Impolin AB**
Assets	
Non-current assets	
Other intangible assets	7,014
Total non-current assets	**7,014**
Current assets	
Inventories	6,515
Trade and other receivables	6,023
Cash	3,865
Total current assets	**16,404**
Total assets	**23,418**
Liabilities	
Non-current liabilities	
Loans and borrowings	3,845
Total non-current liabilities	**3,845**
Current liabilities	
Trade and other payables	7,778
Taxes payable	743
Other current liabilities	1,076
Total current liabilities	**9,598**

Total liabilities	**13,443**
Net identifiable assets	**9,975**
Goodwill	42,128
Total consideration for the shares	**52,103**
Of which cash	28,070
Of which new shares	24,032

Other intangible assets acquired are related to the estimated brand value of the products MedMade and Absolut Torr. Goodwill is mainly related to expected synergies with Navamedic`s complementary products from consumer health and medical nutrition portfolio, non-contractual customer relationship as well as income from expected expansion to the other markets where Navamedic operates.

For the period between the date of acquisition and 31 December 2022, Impolin AB contributed NOK 28 million to the Group's revenues and NOK 1.9 million to profit before tax. If the business combination had taken place at the beginning of the year, the Group's revenues would have been NOK 409.8 million and profit before tax for the Group would have been NOK 46.1 million.

Note 6 – Investments in subsidiaries

	Office location	Ownership share 31.12
Navamedic AS*	Oslo, Norway	100%
Navamedic AB**	Gothenburg, Sweden	100%
Impolin AB***	Stockholm, Sweden	100%
Sensidose AB	Stockholm, Sweden	100%

** Following the merger between Novicus Pharma AS and the Norwegian branch of Navamedic AB in 2022.*
*** The subsidiary Navamedic AB has branches in Denmark and Finland.*
**** Merged with Navamedic AB from 2024*

Note 7 – Property, plant & equipment

(in NOK '1000)	Office equipment	Medical devices	Total
Accumulated cost			
Balance at 1 January 2022	**1,135**	**0**	**1,135**
Additions	191	0	191
Disposals	-146	0	-146
Currency translation differences	-2	0	-2
Accumulated cost at 31 December 2022	**1,178**	**0**	**1,178**
Balance at 1 January 2023	**1,178**		**1,178**
Additions	198	1,193	1,391
Acquisition	0	2,648	2,648
Disposals	0	0	0
Currency translation differences	5	-38	-33
Accumulated cost at 31 December 2023	**1,381**	**3,803**	**5,184**
Accumulated depreciation			
Balance at 1 January 2022	**-390**	**0**	**-390**
Depreciation	-328	0	-328
Disposals	146	0	146
Currency translation differences	1	0	1
Balance as at 31 December 2022	**-571**	**0**	**-571**
Balance at 1 January 2023	**-571**		**-571**
Depreciation	-388	-520	-909
Disposals	0	0	0
Currency translation differences	-4	-9	-13
Balance as at 31 December 2023	**-963**	**-529**	**-1,492**
Expected useful economic life	3-5 years	5 years	
Carrying amounts			
At 1 January 2022	**745**	**0**	**745**
At 31 December 2022	**607**	**0**	**607**
At 31 December 2023	**418**	**3,274**	**3,692**

Note 8 – Goodwill and Intangible assets

The Group's intangible assets consist of the following:

Licenses (product rights) and marketing authorizations

Navamedic holds rights to market and sell specific products in defined geographical areas. Investments related to such licenses are amortized on a straight-line basis over their expected useful economic life, which typically range between five to ten years. Navamedic further distributes a number of products through wholesalers on behalf of rights holders. Investments related to obtaining such marketing authorizations are amortized on a straight-line basis over their expected useful economic life, which typically range between five to ten years. For products that are under registration, the amortization of the cost of acquisition commences upon launch and is amortized over the period of the agreement.

Other intangible assets

Majority of Group`s other intangible assets relate to the patents for the products that Sensidose AB owns and develops. The costs are capitalized when they meet the requirements to be considered as the development costs and amortization is commenced once the product is ready for market and necessary regulatory approvals are obtained.

		Intangible assets		
(in NOK '1000)	**Goodwill**	**Licenses**	**Other intangible assets**	**Total intangible assets**
Accumulated cost				
Balance at 1 January 2022	**61,031**	**52,563**	**4,289**	**56,853**
Derecognition	0	0	-870	-870
Additions	42,128	8,999	0	8,999
Currency translation differences	-2,416	-247	0	-247
Accumulated cost at 31 December 2022	**100,743**	**61,316**	**3,419**	**64,735**
Balance at 1 January 2023	**100,743**	**61,316**	**3,419**	**64,735**
Acquisition	49,840	0	56,757	56,757
Additions	0	18,927	558	19,486
Currency translation differences	6,147	1,311	-1,402	-90
Accumulated cost at 31 December 2023	**156,729**	**81,554**	**59,333**	**140,887**

Accumulated amortization				
Balance at 1 January 2022	**0**	**-28,909**	**-602**	**-29,511**
Amortization	0	-3,831	-1,019	-4,850
Currency translation differences	0	163		163
Balance as at 31 December 2022	**0**	**-32,578**	**-1,621**	**-34,199**
Balance at 1 January 2023	**0**	**-32,578**	**-1,621**	**-34,199**
Amortization	0	-3,954	-4,657	-8,610
Currency translation differences	0	-487	35	-451
Balance as at 31 December 2023	**0**	**-37,018**	**-6,242**	**-43,260**
Expected useful economic life		5-10 years	5-10 years	
Carrying amounts				
At 31 December 2022	**100,743**	**28,738**	**1,799**	**30,537**
At 31 December 2023	**156,729**	**44,537**	**53,091**	**97,627**

Test for impairment losses for cash generating units that contain goodwill

Goodwill originates from the purchase of Vitaflo AB, Impolin AB, Sensidose AB and other minor acquisitions, including Novicus Pharma AS. For the purpose of impairment testing, goodwill, excluding Impolin and Sensidose that are tested separately, has been allocated to the Group's single cash generating unit ('CGU'), being the Pharma and healthcare division.

Impairment test – Pharma division

Impairment testing is based on value-in-use calculations, determined by discounting the estimated future cash flows to be generated by the CGU. The test is based on the book value of the goodwill at 31.12.2023 compared to the estimated value calculated on the basis of discounted future cash flows. The 2024-2028 business plan is used, with an average revenue growth of 13%, after which it is assumed a 1.0% growth. A discount rate pre-tax of 9.5% was used to discount future cash flows. The resulting EBITDA margin is, on average, 18%. The estimated value of the CGU exceeded the book value at 31.12.2023, therefore resulting in no write-down of goodwill. In addition to the discounted cash flow estimation, sensitivity analysis showed that even with a significantly more conservative view, the estimated value would still not result in a write-down. Key assumptions include moderate growth in the revenue according to the above-mentioned during the period, together with the estimated EBITDA margin and the level of the discount rate. Additionally, neither reasonably possible negative changes in the growth assumption, nor reasonably possible negative changes in the EBITDA margin would lead to an impairment. Also, a reasonably possible increase in the discount rate after tax would not give rise to impairment.

Impairment test – Impolin

Impairment test for Impolin AB is performed based on discounted estimated future cash flows to be generated by this CGU. Cash flows are including planned expansion to the other markets where Navamedic intends to sell the products from Impolin`s portfolio. The 2024-2028 budget assumes an average revenue growth of 6%. It is assumed that by 2028 the steady state will be reached after which the terminal value growth of 2% is estimated. EBITDA margin during the explicit period is, on average, 13% while in the terminal value it is set to 19%. A discount rate of 9.5% is applied to discount the cash flows. The calculated value in use is significantly higher than the book value of Impolin AB. Sensitivity analysis shows that no reasonably possible change in any of the key inputs to the valuation would, in isolation, lead to the impairment of goodwill. From 2024, Impolin AB is merged into Navamedic AB.

Impairment test – Sensidose

Impairment testing for Sensidose was based on the value in use calculation that was used during the acquisition process. Updated inputs as of 31.12.2023. show no changes in the value and no impairment indicators.

Note 9 – Right of use assets and liabilities

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.
The Group recognizes right-of-use assets at the commencement date of the lease. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Group uses its estimated incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Right of use assets

(in NOK '1000)	**2023**	**2022**
Right of use assets	6,060	6,511
Total Right of use assets	**6,060**	**6,511**

(in NOK '1000)	**Land and buildings**	**Motor vehicles**	**Office equipment**	**Total**
Balance at 1 January 2022	**7,219**	**326**	**23**	**7,567**
Depreciation	-1,691	-364	-8	-2,064
Additions	0	1,126	0	1,126
Adjustments	0	0	0	0
Currency translation differences	21	-140	0	-119
Balance at 31 December 2022	**5,549**	**948**	**14**	**6,511**
Depreciation	-1,698	-700	-8	-2,407
Additions	0	305	0	305
Adjustments	547	891	0	1,439
Currency translation differences	2	209	0	211
Balance at 31 December 2023	**4,400**	**1,654**	**6**	**6,060**

Right of use liabilities

(in NOK '1000)	**2023**	**2022**
Non-current right of use liabilities	3,892	4,861
Current right of use liabilities	2,453	1,865
Total right of use liabilities	**6,345**	**6,726**

Maturity analysis contractual undiscounted cash flows

(in NOK '1000)	**2023**	**2022**
Less than one year	2,672	2,195
Between one and five years	4,022	5,206
Total undiscounted lease liabilities at 31 December	**6,694**	**7,401**

Changes in right of use liabilities

(in NOK '1000)	**2023**	**2022**
At 1 January	**6,726**	**7,664**
Payments	-2,641	-2,373
Interest	303	324
Additions and adjustments	1,744	1,126
Currency translation	213	-15
At 31 December	**6,345**	**6,726**

Amounts recognised in profit or loss

(in NOK '1000)	**2023**	**2022**
Interest on lease liabilities	303	324
Depreciation right of use assets	2,407	2,064

Other information

(in NOK '1000)	**2023**	**2022**
Lease payments for short-term leases and low value assets leases	606	526

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognized in the statement of financial position at the date of initial application is 4,6 %.

Note 10 – Trade and other receivables

Trade receivables arise from sales of goods or services within the ordinary business cycle. If settlement is expected within one year or less (or in the ordinary business cycle if this is longer), the receivables are classified as current assets. If this is not the case, the receivables are classified as non-current receivables.

Trade receivables are measured at the transaction price upon initial recognition. In subsequent measurements, trade receivables are measured at amortized cost, less provisions for expected credit losses. For trade receivables and contract assets, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group has a trade receivable financing agreement with Avida Finans AB.

(in NOK '1000)	**2023**	**2022**
Trade receivables	38,043	39,464
Other receivables and prepaid expenses	12,587	3,521
Total trade and other receivables	**50,631**	**42,985**

(in NOK '1000)	**2023**	**2022**
Gross trade receivables	38,156	39,554
Provision for loss on trade receivables	-112	-90
Total trade receivables	**38,043**	**39,464**

(in NOK '1000)	**2023**	**2022**
Provision for loss on trade receivables at 1 January	-90	-446
Net change in provision for loss on trade receivables	-97	-45
Loss on trade receivables	75	401
Total provision for loss on trade receivables at 31 December	**-112**	**-90**

Due date profile trade receivables

(in NOK '1000)	**2023**	**2022**
Not due	24,455	31,625
0-3 months	8,930	4,002
> 3 months	4,771	3,927
Total trade receivables	**38,156**	**39,554**

The Group has had low losses on trade receivables, and considers the risk associated with trade receivables as low.

Note 11 – Inventories

(in NOK '1000)	**2023**	**2022**
Inventory	104,661	81,110
Work in progress	539	0
Provisions for inventory obsolescence	0	-1,468
Total inventory	**105,200**	**79,642**

Note 12 – Financial assets and liabilities

(in NOK '1000)	Carrying amount as at 31.12.2023	Fair value as at 31.12.2023	Carrying amount as at 31.12.2022	Fair value as at 31.12.2022
Non-current financial assets				
Non-current loans receivable	49,149	49,149	0	0
Total non-current financial assets	**49,149**	**49,149**	**0**	**0**
Current financial assets				
Tax receivables	14,858	14,858	14,909	14,909
Trade and other receivables	50,631	50,631	42,985	42,985
Current loans receivable	0	0	40,615	40,615
Other current financial assets	1,393	1,393	10,092	10,092
Cash and cash equivalents	38,036	38,036	55,296	55,296
Total current financial assets	**104,918**	**104,918**	**163,897**	**163,897**
Total financial assets	**154,067**	**154,067**	**163,897**	**163,897**
Non-current financial liabilities				
Non-current license liabilities	3,988	3,988	3,762	3,762
Non-current interest-bearing borrowings	95,479	95,479	38,368	38,368
Total non-current financial liabilities	**99,466**	**99,466**	**42,130**	**42,130**
Current financial liabilities				
Trade and other payables	68,300	68,300	65,574	65,574
Current interest-bearing borrowings	51,067	51,067	13,623	13,623
Current license liabilities	16,861	16,861	221	221
Other current liabilities	42,454	42,454	40,071	40,071
Total current financial liabilities	**178,682**	**178,682**	**119,489**	**119,489**
Total financial liabilities	**278,148**	**278,148**	**161,619**	**161,619**

Fair value hierarchy for financial instruments recognized at fair value

With an exception of other current financial assets that are valued based on level 1 of inputs in accordance with IFRS 13:81, all the other financial assets are valued based on level 2 inputs. Other current financial assets are representing the fair value of Navamedic`s investment in Observe medical ASA that is measuer at fair value through profit and loss.

Fair value of financial instruments recognized at amortised cost

Due to their short term nature, the carrying value of current financial assets and liabilities is deemed a reasonable approximation to the fair value of these financial assets and liabilities. The interest rate on non-current liabilities to financial institutions is considered not to be significantly different from what the Group could achieve as of 31 December 2023, and as such the carrying amount is considered not to be significantly different from the fair value. The discount rate applied to the calculation of amortized cost for non-current license liabilities is considered not to be significantly different from the market cost of capital as of 31 December 2023, and as such the carrying amount is considered not to be significantly different from the fair value. See note 20 for information regarding non-cash transactions related to financial liabilities.

Note 13 – Paid in equity and shareholders

(in NOK '1000, number of shares in actual figures)	Number of shares	Share capital	Share premium reserve	Total paid in equity
As of 1 January 2022	**16,345,660**	**12,096**	**165,830**	**177,926**
Share capital issues	882,117	653	24,578	25,230
As of 31 December 2022	**17,227,777**	**12,749**	**190,408**	**203,156**
As of 1 January 2023	**17,227,777**	**12,749**	**190,408**	**203,156**
Share capital issues	125,000	93	2,169	2,262
As of 31 December 2023	**17,352,777**	**12,841**	**192,577**	**205,418**

Each share has a nominal value of NOK 0,74 kr.

Largest shareholders as of 31 December 2023

Shareholder	Number of shares	Share of capital	Share of votes
INGERØ REITEN INVESTMENT COMPANY A	3,563,042	20.5 %	20.5 %
UBS Switzerland AG*	1,972,306	11.4 %	11.4 %
J.P. Morgan SE*	1,456,000	8.4 %	8.4 %
Avanza Bank AB*	937,778	5.4 %	5.4 %
HAUSTA INVESTOR AS	782,913	4.5 %	4.5 %
SOLEGLAD INVEST AS	691,668	4.0 %	4.0 %
J.P. Morgan SE*	405,152	2.3 %	2.3 %
TRANBERGKOLLEN INVEST AS	600,000	3.5 %	3.5 %
LEIKERANE AS	500,000	2.9 %	2.9 %
SKANDINAVISKA ENSKILDA BANKEN AB	500,000	2.9 %	2.9 %
GINKO AS	500,000	2.9 %	2.9 %
VI ØNSKER STYREPLASS AS	455,400	2.6 %	2.6 %
J.P. Morgan SE*	200,000	1.2 %	1.2 %
LARS HJARRAND	285,882	1.6 %	1.6 %

VPF FIRST OPPORTUNITIES	230,165	1.3 %	1.3 %
EIVIND BJØRNTVEDT	245,000	1.4 %	1.4 %
OMA INVEST AS	250,000	1.4 %	1.4 %
KRAEBER Verwaltung GMBH	214,850	1.2 %	1.2 %
CMDC AS	200,000	1.2 %	1.2 %
Other shareholders	3,362,621	19.4 %	19.4 %
Total	**17,352,777**	**100%**	**100%**

* Nominee accounts which may include multiple shareholders. See also note 24 for related parties shareholdings.

Ingerø Reiten Inv. Company AS is represented on the Board by Terje Bakken and Narve Reiten.

Shares owned by the Board and executive personnel in Navamedic ASA as at 31 December 2023

Name	Role	Number of shares	Comment
Terje Bakken	Chairman	3,563,042	Through Ingerø Reiten Inv. Company AS
Narve Reiten	Board member	3,563,042	Through Ingerø Reiten Inv. Company AS
Kathrine Gamborg Andreassen	CEO	691,668	Through Soleglad Invest AS
Lars Hjarrand	CFO	285,882	
Ole Henrik Eriksen	CBDO	500,000	Through Leikerane AS
Astrid T Bratvedt	CSO	600,000	Through Tranbergkollen Invest AS
Tony Brejke	COO	807,117	Through 50% ownership in Agnvicen AB
Astrid T Bratvedt	CSO	2,000	
Alexander Lidmejer	Commercial Director Rx	2,400	
Grete Hogstad	Member of the Nomination Committee	1,493	

Shares owned by the Board and executive personnel in Navamedic ASA as at 31 December 2022

Name	Role	Number of shares	Comment
Terje Bakken	Chairman	3,563,042	Through Ingerø Reiten Inv. Company AS
Narve Reiten	Board member	3,563,042	Through Ingerø Reiten Inv. Company AS
Kathrine Gamborg Andreassen	CEO	666,668	Through Soleglad Invest AS
Lars Hjarrand	CFO	260,882	
Ole Henrik Eriksen	CBDO	500,000	Through Leikerane AS
Astrid T Bratvedt	CSO	525,000	Through Tranbergkollen Invest AS
Tony Brejke	COO	807,117	Through 50% ownership in Agnvicen AB
Astrid T Bratvedt	CSO	2,000	
Alexander Lidmejer	Commercial Director Rx	2,400	
Grete Hogstad	Member of the Nomination Committee	1,493	
Bernt Olav Røttingsnes	Chairman of the Nomination Committee	489	Through BOR Utvikling AS

Note 14 – Trade accounts payable and other current liabilities

(in NOK '1000)	2023	2022
Total trade accounts payable	**68,300**	**65,574**
Accrued VAT and public duties	14,018	17,108
Accrued salaries and holiday pay	12,768	14,395
Accrued expenses and other current liabilities	15,668	8,568
Total other current liabilities	**42,453**	**40,071**

Note 15 – Other operating expenses

(in NOK '1000)	2023	2022
Consulting, legal and audit fees	9,023	8,691
Transaction cost	16,061	0
Maintenance of PP&E	683	0
Travel expenses	2,816	2,338
Insurance	1,759	971
IR expenses	1,292	1,357
Marketing, freight, and commissions	47,101	38,798
Regulatory fees	9,592	6,054
Other expenses	11,549	5,536
Total other operating expenses	**99,876**	**63,745**

Auditor expense recognised

(in NOK '1000)	2023	2022
Statutory audit	1,591	1,110
Tax consultancy	102	105
Other assurance services	202	242
Total auditor expense recognised	**1,895**	**1,457**

Auditor expense amounts are excluding VAT.

Note 16 – Payroll expenses

The Company has entered into a mandatory defined contribution pension scheme for employees in Norway and Sweden. Under defined contribution plans, the Group pays contributions to public or private organized insurance plans for pensions on a compulsory, contractual, or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The plan in Norway complies with the requirements of the Norwegian Mandatory Occupational Pension Act. The contributions are recognized as payroll expenses as incurred.

(in NOK '1000)	**2023**	**2022**
Salaries	40,065	34,436
Employer's National insurance contributions	9,254	6,198
Share options for employees	6,603	839
Pension expenses – defined-contribution scheme	4,603	3,306
Other payroll expenses	3,147	3,309
Total payroll expenses	**63,673**	**48,088**
Number of FTEs	44	28

(in NOK '1000)	**Kathrine Gamborg Andreassen CEO**	**Lars Hjarrand CFO**	**Total 2023**	**Kathrine Gamborg Andreassen CEO**	**Lars Hjarrand CFO**	**Total 2022***
Salary and holiday pay paid	3,068	2,111	5,179	2,611	1,871	4,482
Variable remuneration paid	1,874	463	2,337	1,784	557	2,341
Benefits in kind and other	436	434	870	273	646	919
Pension expenses	131	131	262	110	110	220
Total paid salary and remuneration	**5,509**	**3,139**	**8,648**	**4,778**	**3,074**	**7,852**
Variable remuneration earned in 2023/2022	2,250	531	2,781	1,874	463	2,337

* Figures for 2022 are restated

Executive personnel is defined as being chief executive officer (CEO) and chief financial officer (CFO). No loans were issued and no assets were pledged to the benefit of employees, shareholders or board members in 2023 or 2022.

Board fees paid

(in NOK '1000)	2023	2022
Terje Bakken	495	415
Narve Reiten	250	240
Jostein Davidsen	235	200
Annika Maria Kollen *(from 03.06.2021)*	210	200
Inger Johanne Solhaug *(until 03.06.2022)*	0	230
Edmèe Steenken *(from 03.06.2022)*	210	0
Total Board fees paid	**1,400**	**1,285**

Share-based remuneration

Key management personnel in Navamedic ASA receive parts of their salary as share-based remuneration.

	Quantity at 31.12.2023	Quantity at 31.12.2022
Kathrine Gamborg Andreassen, CEO	280,000	105,000
Lars Hjarrand, CFO	250,000	75,000
Total	**530,000**	**180,000**

Statement on the stipulation of salaries and other remuneration for the CEO and other executive personnel

Pursuant to Section 6-16a of the Norwegian Public Limited Liability Companies Act, the Board of Navamedic has prepared a statement on the stipulation of salaries and other remuneration for the CEO and executive personnel.

All pay and remuneration in the Group are based on the gross pay principle, meaning that any tax consequences of remuneration individuals receive are not the concern of the Group.

The main principle in Navamedic's executive pay policy is that executive personnel will be offered competitive terms and conditions. The Group aims to offer a level of pay that reflects an average pay level in small pharmaceutical companies in the Nordic region.

As a guideline, executive personnel can be awarded remuneration in addition to their basic salary (bonus), but this is limited to 75% of the annual salary and linked to the achievement of specific targets, and at the same time such that total compensation is within the average. Any bonuses to the CEO must be determined by the Board.

Executive personnel can only be awarded options for the acquisition of/subscription to shares in the Company.

The Company offers defined contribution-based pensions to all employees. Some executive personnel have been awarded share options. See note 22.

The CEO and CFO are subject to notice periods of 6 months. The CEO has a termination payment agreement of 12 months.

Note 17 – Financial income and expenses

Financial income

(in NOK '1000)	**2023**	**2022**
Interest income	4,214	3,079
Other financial income	137	16,385
Total financial income	**4,351**	**19,464**
Interest expenses	-7,771	-612
Other financial expenses	-6,566	-2,804
Total financial expenses	**-14,337**	**-3,416**
Currency gains	43,736	37,278
Currency losses	-37,797	-46,519
Total net currency gain/losses	**5,939**	**-9,242**
Net change in fair value of financial instruments at FVTPL	-8,699	-17,158
Net financial income and expenses	**-12,746**	**-10,351**

Other financial income in 2022 contains the effects from the derecognition of cancelled license liability. The effects from the derecognition of correlated interest accrued in the previous years are included within interest expense.

Note 18– Loan to Observe Medical ASA

The Group has an outstanding loan to Observe Medical ASA of NOK 49.1 million (of which NOK 5.3 million related to the new loan from 2023) at 31 December 2023 (NOK 40.6 million at 31 December 2022).

In addition to the original loan from 2019, during 2023 Navamedic lent Observe Medical an additional NOK 5 million as Observe Medical was in an urgent liquidity crisis. Navamedic decided to do this to not risk the entire loan being defaulted on and with the expectation that Observe Medical would be able to get other short-/mid-term financing in place over the next few months. Observe Medical ASA subsequently succeeded with a rights issue to raise capital. As part of this issue, all creditors, including Navamedic, were asked to convert or renegotiate the current loan terms. As a result, the due dates for the Navamedic loans were extended to 31 January 2025. There were no other changes to the terms. Based on new capital structure in place and the assessment of future prospects of Observe Medical ASA business, Navamedic concluded that the recoverable amount of the loan is the same as the book value.

Note 19 – Cash

(in NOK '1000)	**2023**	**2022**
Cash and cash equivalents	36,901	54,298
Restricted cash	1,135	997
Total cash	**38,036**	**55,296**

Restricted cash consists of tax deduction and other restricted deposit accounts.

Note 20 – Interest-bearing liabilities to financial institutions

Non-current interest-bearing liabilities to financial institutions

	2023	**2022**
Total non-current interest-bearing liabilities, nominal value (in NOK '1000)	95,479	38,368
Average interest rate, including margin	6.8 %	6.0 %
Average remaining duration	3.45 years	2.34 years

Current interest-bearing liabilities to financial institutions

	2023	**2022**
Current interest-bearing borrowings, nominal value (in NOK '1000)	16,068	13,623
Average interest rate, including margin	6.8 %	6.0 %
Average remaining duration	0.58 years	1.0 year
Revolving credit facility, nominal value (in NOK '1000)	35,000	0
Average interest rate, including margin	6.9 %	-

Interest-bearing liabilities in 2022 consisted of SEK 55 million loan with Avida Finance AB which was fully repaid in 2023. In April 2023, Navamedic received a loan of NOK 110 million from Nordea. Nordea loan has a covenant that net interest-bearing debt should not exceed 2.75 x LTM consolidated EBITDA. Net interest-bearing debt is defined as interest-bearing debt adjusted for cash. The loan is to be partly repaid through 8 half-yearly installments of NOK 7.9 million each, starting in April 2024, with the remaining amount of NOK 47.1 million due in April 2028. In addition, Navamedic secured a revolving credit facility of up to NOK 35 million.

Changes in total interest-bearing liabilities to financial institutions

(in NOK '1000)	**2023**	**2022**
At 1 January	51,992	38,980
Cash flow	90,842	14,522
Acquisition	2,413	0
Currency and other changes	1,300	-1,510
At 31 December	**146,546**	**51,992**

Note 21 – License liabilities

(in NOK '1000)	**2023**	**2022**
Total carrying amount non-current license liabilities	3,988	3,762
Total carrying amount current license liabilities	16,861	221
Total carrying amount license liabilities	**20,848**	**3,982**
Total undiscounted amount non-current license liabilities	21,611	4,971
Average discount rate amortized cost calculation	6.0 %	6.0 %

Non-current license liabilities consist of the discounted cash flows from product licensing agreements with long-term payment plans. Current license liabilities consist of the short-term part (due in less than 1 year) of the discounted cash flows from product licensing agreements.

Expected undiscounted cash flows from license liabilities

(in NOK '1000)	2023	2022
Year 1	16,861	221
Year 2	0	0
Year 3-5	4,750	4,750
Total expected undiscounted cash flows from license liabilities	**21,611**	**4,971**

The discount rate applied to the amortized cost calculations equals the effective interest rate for each agreement. For interest free agreements the estimated cost of debt that the Group could achieve on loans with similar maturity and security is applied.

Note 22 – Options

Total costs related to options

(in NOK '1000)	2023	2022
Total option cost	6,603	839
Total social security provision	274	131
Total costs related to options	**6,878**	**971**

Reconciliation outstanding options

	Number of instrumets	Weighted average strike price
Outstanding options 1 January 2022	**585,000**	**18.42**
Exercised	-75,000	15.97
Total outstanding options 31 December 2022	**510,000**	**18.78**
Outstanding options 1 January 2023	**510,000**	**18.78**
Exercised	-25,000	14.46
Exercised	-100,000	19.00
Granted	1,400,000	33.00
Total outstanding options 31 December 2023	**1,785,000**	**29.98**

Granted options

	2023
Number of options granted	1,400,000
Weighted average strike price	33.00
Weighted average share price at grant time	32.70
Estimated weighted average fair value at grant time	9.29
Simulation model	Monte carlo
Estimated volatility	37.1 %
Interest rate	3.27 %
Expected dividend	0

Outstanding options 31 December 2022

	Number of options	Of which vested	Weighted Average remaining contractual life (years)
Strike price 14,46	25,000	25,000	0.50
Strike price 19,00	485,000	315,000	1.46
Total outstanding options 31 December 2022	**510,000**	**340,000**	

Outstanding options 31 December 2023

	Number of options	Of which vested	Weighted Average remaining contractual life (years)
Strike price 19,00	385,000	385,000	0.46
Strike price 33,00	1,400,000	0	3.13
Total outstanding options 31 December 2023	**1,785,000**	**385,000**	

Shares received from exercised options are subject to a lock-up period of 12 months. The lock-up obligations shall not prevent the option holders from selling an amount of the option shares necessary to finance the exercise price, as well as the tax payable as a consequence of the exercise of options.

Note 23 – Earnings per share

(in NOK '1000)	**2023**	**2022**
Net profit / loss (-)	3,304	29,432
Weighted average shares issued	17,274,352	16,806,720
Dilutive potential ordinary shares	338,536	215,693
Basic earnings per share	0.1913	1.7511
Diluted earnings per share	0.1876	1.7290

Note 24 –Transaction with related parties

TopRidge Pharma Limited, which owns 917 522 shares in Navamedic ASA, is also a supplier to Navamedic. The Group purchased goods from TopRidge worth SEK 55 465 thousand in 2023 and SEK 18 579 thousand in 2022. ACS Dobfar S.p.A., which owns 1 053 775 shares in Navamedic ASA, is also a supplier to Navamedic. The Group purchased goods from ACS Dobfar worth EUR 1 821 thousand in 2023 and EUR 1 904 thousand in 2022. ACS Dobfar became a shareholder in Navamedic in 2021.

Note 25 – Subsequent events

In February of 2024, Navamedic launched Eroxon, a breakthrough treatment of erectile dysfunction disorder in Norway. The product will be launched successively in the other Nordic countries during 2024.

Note 26 – Tax expense and deferred tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that convincing evidence exists that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that convincing evidence no longer that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent convincing evidence that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Assessment of whether a deferred tax asset is recognizable involves a significant degree of judgment in determining the likelihood of utilization against future taxable results within the various tax jurisdictions in which the Group operates.

As of 31.12.2023. the Group has no deferred tax assets recognized for tax losses carry forward. There are, however tax losses carry forward in Sensidose AB of SEK 135 million for which no deferred tax losses are recognized since, as of 31.12.2023, there is no convincing evidence as to what extent these losses can be utilized.

Tax expense

(in NOK '1000)	**2023**	**2022**
Profit before tax continuing operations	10,833	42,506
Tax expense		
Tax payable	7,858	15,672
Corrections related to previous years	261	-124
Change in deferred tax	-590	-2,474
Total tax expense	**7,529**	**13,074**
Effective tax rate	69.49%	30.76%

The effective tax rate in 2023 is higer than the corporate income tax rate in the markets where the Group operates (20%-22%) primarily due to the non-deductible transaction cost, expense related to the change in fair value of financial investment and the reported loss in Sensidose AB. The effective tax rate in 2022 is higher primarily due to non-capitalized deferred tax asset related to the losses in the Swedish branch.

Tax payable 2023			**Navamedic AB**				
(in NOK '1000)	**Navamedic ASA**	**Navamedic AS**	**Sweden**	**Denmark**	**Finland**	**Impolin**	
Profit before tax (not consolidated)	-61,671	54,133	22,919	-34	1,531	1,314	
Group contribution	41,567	-41,567	0	0	0	0	
Permanent differences / Currency translation	21,685	0	-1,494	431	-62	134	
Changes in temporary differences	0	0	0	0	0	0	
Total basis for tax payable	**1,579**	**12,566**	**21,426**	**396**	**1,469**	**1,448**	**Total**
Tax payable Norway, 22%	347	2,765	0	0	0	0	2,765
Utilized tax losses carry forward	-347	0	0	0	0	0	0
Tax payable Finland, 20%	0	0	0	0	294	0	294
Tax payable Sweden, 20.6%	0	0	4,414	0	0	298	4,712
Tax payable Denmark, 22%	0	0	0	87	0	0	87
Total tax payable	**0**	**2,765**	**4,414**	**87**	**294**	**298**	**7,858**

Tax payable 2022		Navamedic AB		
(in NOK '1000)	**Norwegian entities**	**Danish branch**	**Impolin**	
Profit before tax (not consolidated)	61,541	372	1,836	
Permanent differences / Currency exchange differences	7,234	0	0	
Changes in temporary differences	312	0	0	
Total basis for tax payable	**69,087**	**372**	**1,836**	**Total**
Tax payable Norway, 22%	15,199	0	0	15,199
Tax payable Sweden, 20.6%	0	0	393	393
Tax payable Denmark, 22%	0	80	0	80
Total tax payable	**15,199**	**80**	**393**	**15,672**
		Applied tax losses carry forward		-10,807
		Tax payable		**4,865**

Deferred tax reconciliation

(in NOK '1000)	**2023**	**2023**	**2022**
	Deferred tax asset	**Deferred tax liability**	**Deferred tax asset**
Property, plant & equipment	239	0	35
Intangible assets (Sensidose)	0	45,006	0
Provisions for liabilities	3,988	0	3,762
Tax losses carried forward	0	0	0
Total temporary differences	**4,226**	**45,006**	**3,797**
Tax rate	22%	20.6%	22%
Deferred tax assets/ defererred tax liability	**930**	**9,271**	**835**

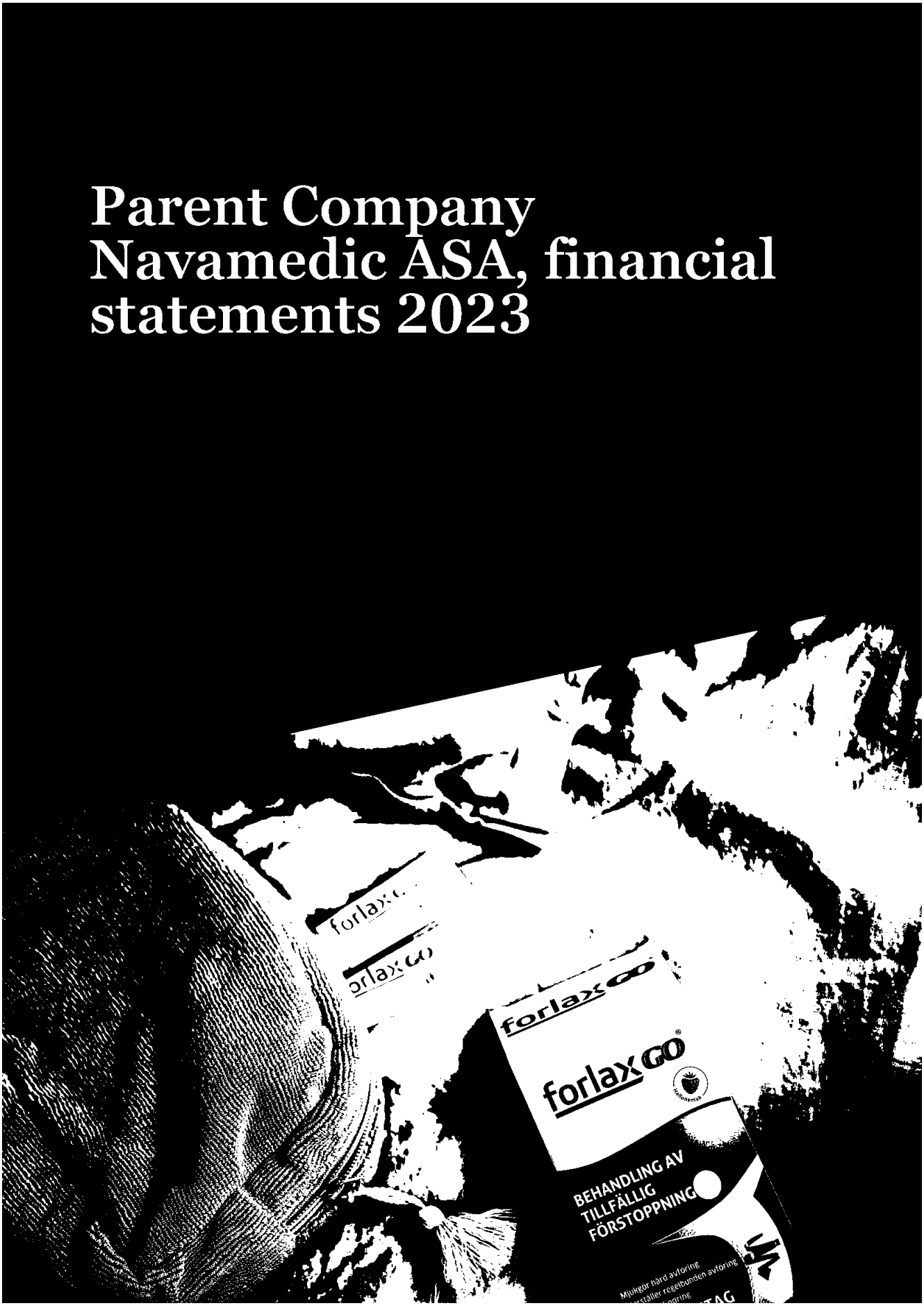
(in NOK '1000)	**2023**	**2022**
Carrying amount of net DTA/(DTL) 1 January	835	9,168
Acquisition (DTL)	-10,007	0
Utilized tax losses carry forward	0	-10,807
Recognized in income statement	590	2,474
Translation difference	240	0
Carrying amount of net deferred tax asset/liability (-) at 31 December	**-8,342**	**835**

Tax payable

(in NOK '1000)	**2023**	**2022**
Carrying amount tax payable 1 January	4,708	10,713
Income tax payable excl. reclaimable tax	7,858	4,865
Taxes paid during the period	-5,129	-10,967
Translation differences and other efects	712	97
Carrying amount tax payable 31 December	**8,149**	**4,708**

In addition, tax receivables related to prepaid taxes and reclaimable tax (for the tax paid abroad) within Navamedic AB amounting to NOK 14 909 thousand (NOK 14 858 thousand in 2022) is recognized on the balance sheet.

Parent Company Navamedic ASA, financial statements 2023



Income statement

(in NOK '1000)	Note	2023	2022
Operating revenues	8	47,632	46,250
Total revenue		**47,632**	**46,250**
Payroll expenses	6	-36,830	-30,523
Depreciation and impairment	3	-4,351	-4,156
Other operating expenses	9	-40,065	-21,306
Total operating expenses		**-81,246**	**-55,985**
Operating profit		**-33,614**	**-9,735**
Financial income	12	3,820	19,278
Net change in fair value current financial assets		-8,699	-17,158
Group contribution		41,567	56,941
Financial expenses	12	-17,720	-599
Impairment of non-current financial assets		0	6
Net currency gain/losses		-5,460	572
Net financial income and expenses		**13,508**	**59,040**
Profit before tax		**-20,105**	**49,304**
Tax expense	5	94	-8,333
Net profit after tax		**-20,011**	**40,972**

Balance sheet

(in NOK '1000)	Note	**31.12.2023**	**31.12.2022**
Non-current assets			
Intangible assets	3	21,515	23,142
Deferred tax asset	5	930	835
Total intangible assets		**22,444**	**23,977**
Property, plant & equipment	3	383	603
Total tangible assets		**383**	**603**
Investments in group companies	2	415,666	149,660
Non-current loans receivable		49,149	0
Total financial assets		**464,815**	**149,660**
Total non-current assets		**487,643**	**174,240**
Current assets			
Trade receivables		750	682
Other short-term loans group companies		6,666	6,825
Group contribution receivable		41,567	56,941
Other receivables		6,824	1,904
Other current financial assets		1,393	10,092
Current loans receivable		0	40,615
Total receivables		**57,200**	**117,059**
Bank deposits	4	7,811	6,007
Total current assets		**65,010**	**123,066**
Total assets		**552,652**	**297,307**

Balance sheet continued

(in NOK '1000)	Note	**31.12.2023**	**31.12.2022**
Equity			
Share capital	1, 7	12,841	12,749
Share premium reserve	1	192,577	190,408
Total paid in equity		**205,418**	**203,157**
Retained earnings		-3,796	9,613
Total retained earnings		**-3,796**	**9,613**
Total equity		**201,622**	**212,770**
Non-current liabilities			
Liabilities to group companies		50,419	41,031
Non-current licensing liabilities		3,988	3,762
Non-current interest-bearing liabilities		94,286	23,633
Total non-current liabilities		**148,693**	**68,426**
Current liabilities			
Current interest-bearing liabilities		15,714	0
Trade account payables		4,309	3,018
Liabilities to group companies		136,122	0
Other current liabilities		46,192	13,094
Total current liabilities		**202,338**	**16,112**
Total liabilities		**351,030**	**84,538**
Total equity and liabilities		**552,652**	**297,307**

Statement of cash flows

(in NOK '1000)	**2023**	**2022**
Cash flow from operating activities		
Profit before tax	-20,105	49,304
Depreciation, amortization and impairment	4,351	4,156
Changes in options	6,603	839
Net financial items and items with no cash effect	-13,508	-57,071
Change in trade receivables	-68	-543
Change trade account payables	1,291	1,784
Changes other current liabilities and receivables	12,605	6,704
Net cash flow from operating activities	**-8,831**	**5,173**
Cash flow from investing activities		
Purchase of tangible and intangible assets	-1,929	-2,251
Investments in shares	-107,381	-28,200
Loans given	-5,000	0
Net cash flow from investing activties	**-114,310**	**-30,451**
Cash flow from financing activtities		
Loans received	154,498	28,235
Share issues	2,262	1,198
Interest paid	-6,563	-914
Loans paid	-25,252	
Loans issued	0	0
Net cash flow from financing activities	**124,945**	**28,519**
Net change in cash	**1,804**	**3,241**
Cash and cash equivalents start period	6,007	2,765
Cash and cash equivalents end period	**7,810**	**6,007**

The Board of Directors and CEO of Navamedic ASA

Oslo, 29 April 2024

Terje Bakken (sign.)
Chairman

Jostein Davidsen (sign.)
Board member

Edmée Steenken (sign.)
Board member

Narve Reiten (sign.)
Board member

Annika Kollén (sign.)
Board member

Åsa Kornfeld
Board member

Kathrine Gamborg Andreassen (sign.)

CEO

Navemedic ASA - Notes to the financial statements 2023

Summary of significant accounting policies

The annual financial statements have been prepared in accordance with the Accounting Act and good accounting practice.

Sales revenue

Revenue is measured at the fair value of the remuneration, net after deductions for discounts, returns, and VAT. Revenue is recognized through profit or loss when it can be reliably measured, and it is likely that the financial benefits will flow to the Company. Estimates related to revenue recognition are based on history and assessments of the type of customer and transaction, as well as the specific circumstances surrounding each transaction.

The Company has an agreement on royalties from its subsidiaries Navamedic AB and Navamedic AS. The Company holds the rights to various products that are resold by the subsidiary and thereby earns royalties. The royalties are based on actual sales in Navamedic AB and Navamedic AS. The Company also charges subsidiaries for services relating to sales management, marketing and regulatory management, as well as financial and accounting management.

Subsidiaries

In Navamedic ASA's annual financial statements, subsidiaries are measured using the cost method less any impairment.

Classification and measurement of balance sheet items

Current assets and current liabilities include balance sheet items that fall due for payment within one year of the balance sheet date and are associated with the with the daily business operations. Other items are classified as tangible and intangible fixed assets or non-current liabilities. Current assets are measured at the lower of acquisition cost and fair value. Current liabilities are recognized at nominal amount at the time of initial recognition. Fixed assets are measured at acquisition cost but are written down to fair value if the impairment is not expected to be temporary. Non-current liabilities are initially recognized at nominal amount.

Receivables

Trade receivables are recorded on the balance sheet at their nominal amount less deductions for provisions for expected losses. Provisions for expected losses are made on the basis of an individual assessment of each receivable.

Other receivables are subject to a corresponding assessment.

Currency

Monetary items in foreign currency are measured using the exchange rate at the end of the accounting year.

Pension scheme

The Company has a defined-contribution pension plan. The cost of the plan is recognized through profit or loss when the liability occurs.

Financial risk management

For further information about financial risk management please refer to note 3 to the consolidated financial statements.

Share-based remuneration

The Company has the option of awarding share-based remuneration to some executive personnel. The total amount that must be recognized as an expense over the qualifying period is calculated on the basis of the fair value of the awarded options.

Intangible assets

Licenses (product rights) and marketing authorizations

Navamedic holds rights to market and sell specific products in defined geographical areas. Investments related to such licenses are amortized on a straight-line basis over their expected useful economic life, which typically range between five to ten years.

Navamedic further distributes a number of products through wholesalers on behalf of rights holders. Investments related to obtaining such marketing authorizations are amortized on a straight-line basis over their expected useful economic life, which typically range between five to ten years. For products that are under registration, the amortization of the cost of acquisition commences upon launch and is amortized over the period of the agreement.

Other intangible assets

Navamedic invests in information technology assets intended to products and marketing. Furthermore, investments in licenses and marketing authorizations where the products in question have not yet been launched due to regulatory or other reasons, are classified as other intangible assets until launch.

Contingent liabilities

Contingent liabilities are recognized if it is more than 50% likely that a settlement will be forthcoming. The value of the settlement is based on a best estimate. Contingent consideration linked to future settlement clauses in the Observe Medical acquisition is deemed to be an uncertain liability and not a conditional liability. The best estimate of the settlement amount is updated on each balance sheet date and the change is recognized through profit or loss.

Use of estimates

Preparing financial statements in accordance with good accounting practice requires the management team to produce estimates and assumptions that affect the recorded assets, liabilities, revenue and expenses, as well as explanatory notes concerning contingent assets and liabilities. The actual results may differ from these estimates and assumptions.

Tax

The parent company's tax expense for 2023 is calculated on the basis of 22%. The tax expense in the income statement covers both the period's tax payable and the change in deferred tax. Deferred tax is calculated on the basis of the temporary differences that exist between accounting values and tax values, as well as the tax loss carried forward at the end of the accounting year. Tax increasing and tax reducing temporary differences that are

reversed or may be reversed in the same period are offset and recorded net. The deferred tax assets are recorded after taking into account future revenue in the Company.

Cash flow statement

The cash flow statement is prepared using the indirect method. Cash and cash equivalents consist of bank deposits.

Note 1 – Equity

(in NOK '1000)	Share capital	Share premium reserve	Retained earnings	Total
Balance as at 31 December 2022	**12,749**	**190,409**	**9,612**	**212,770**
Share issues	93	2,169		2,262
Options			6,603	6,603
Net profit for the year			-20,011	-20,011
Balance as at 31 December 2023	**12,841**	**192,578**	**-3,796**	**201,622**

Note 2 – Shares in other companies

Note 2 - Investments in group companies

Investments in group companies:	**Acquired**	**Ownership/voting rights**
Navamedic AB - Sweden	04.10.2007	100%
Navamedic AS	27.02.2019	100%
Impolin AB*	01.06.2022	100%
Sensidose AB	01.05.2023	100%

	Book value
Navamedic AS	12,900
Navamedic AB	248,088
Impolin AB*	52,134
Sensidose AB	102,544
Total investments in group companies	**415,666**

** Merged with Navamedic AB from 2024*

Note 3 – Intangible assets and tangible assets

(in NOK '1000)	Licenses	Other intangible assets	Total
Accumulated cost			
Balance at 1 January 2022	**40,494**	**4,290**	**44,784**
Disposals		-870	-870
Additions	2,060		2,060
Accumulated cost 31 Dec 2022	**42,554**	**3,420**	**45,974**
Balance at 1 January 2023	**42,554**	**3,420**	**45,974**
Disposals			
Additions	2,349		2,349
Accumulated cost 31 Dec 2023	**44,902**	**3,420**	**48,322**
Accumulated amortisation			
Balance at 1 January 2022	**-18,395**	**-602**	**-18,997**
Reclassification			
Amortization	-2,815	-1,019	-3,834
Accumulated depreciation 31 Dec 2022	**-21,210**	**-1,621**	**-22,831**
Balance at 1 January 2023	**-21,210**	**-1,621**	**-22,831**
Amortization	-3,022	-954	-3,977
Accumulated depreciation 31 Dec 2023	**-24,233**	**-2,575**	**-26,808**
Expected useful economic life	5-10 years	5-10 years	
Carrying amounts			
At 31 December 2022	**21,343**	**1,799**	**23,142**
At 31 December 2023	**20,669**	**845**	**21,514**

(in NOK '1000)	**Tangible assets**	**Total**
Accumulated cost		
Balance at 1 January 2022	**929**	**929**
Reclassification	0	0
Additions	191	191
Accumulated cost 31 Dec 2022	**1,120**	**1,120**
Balance at 1 January 2023	**1,120**	**1,120**
Reclassification		
Additions	155	155
Accumulated cost 31 Dec 2023	**1,275**	**1,275**
Accumulated amortisation		
Balance at 1 January 2022	**-196**	**-196**
Depreciation	-321	-321
Accumulated depreciation 31 Dec 2022	**-517**	**-517**
Balance at 1 January 2023	**-517**	**-517**
Depreciation	-375	-375
Accumulated depreciation 31 Dec 2023	**-891**	**-891**
Expected useful economic life	3 years	3 years
Carrying amounts		
At 31 December 2022	**603**	**603**
At 31 December 2023	**383**	**383**

Note 4 – Bank deposits, overdrafts etc.

(in NOK '1000)	**2023**	**2022**
Bank deposits	7,811	5,010
Restricted funds	0	997
Total	**7,811**	**6,007**

Note 5 – Income tax

(in NOK '1000)	**2023**	**2022**
Total tax expense is divided into		
Changes in deferred tax assets	-94	8,333
Total taxes	**-94**	**8,333**

(in NOK '1000)	**2023**	**2022**
Calculation of this year's tax base		
Net profit for the year including group contribution	-20,105	49,304
Permanent differences	21,685	-1,099
Changes in temporary differences	0	312
Deficit carried forward	-1,579	-48,518
This year's tax base	**0**	**0**
Tax payable, 22%	0	0

(in NOK '1000)	**2023**	**2022**
Overview of temporary differences		
Tangible assets	238	35
Allowances for liabilities	3,988	3,762
Total temporary differences	**4,226**	**3,797**
Capitalised deferred tax asset (22%)	930	835
Deferred tax asset	**930**	**835**

Note 6 – Employee benefits

The Managing Director and Board of Navamedic ASA correspond to the CEO and the corporate Executive committee. Information about remuneration for the Board and executive personnel can be found in note 16 to the consolidated financial statements.

(in NOK '1000)	**2023**	**2022**
Salaries	26,797	22,086
Remuneration of board members	1,400	1,285
Employer's NI contributions	4,817	3,377
Pension expenses	1,713	1,400
Other payroll expenses*	2,103	2,375
Total	**36,830**	**30,523**
Number of FTEs	19	16

The company is obliged to have an occupational pension scheme for the company's employees.
The company has established an occupational pension scheme that satisfies the requirements of the law.
The scheme comprises all employees and an annual premium is expensed with NOK 1 712 997

Note 7 – Share capital and shareholder information

Share capital

	Quantity	Nominal	Book value
A-shares	17,352,777	0.74	12,841,055

Overview of the largest shareholders as of 31.12.2023 and shares owned by the Board of Directors and senior executives in Navamedic ASA. See note 14 in the consolidated financial statements.

Note 8 – Sales revenue

Geographical distribution:

(in NOK '1000)	**2023**	**2022**
Nordic countries	47,632	46,250
Total	**47,632**	**46,250**

Note 9 – Other operating expenses

Other operating expenses consist of:

(in NOK '1000)	**2023**	**2022**
Rent, etc.	2,463	2,166
Other cost of premises, vehicles, office equipment etc	565	366
Consulting and audit (including transaction cost)	19,592	5,868
Travel expenses	1,033	883
Insurance	1,429	951
IR expenses	830	1,357
Regulatory	7,946	5,629
Other expenses	6,206	4,087
Total other operating expenses	**40,065**	**21,306**

Audit fees:

(in NOK '1000)	**2023**	**2022**
Statutory audit	1,008	736
Assistance other than auditing	161	189
Total	**1,169**	**925**

Note 10 – Claims and contingent liabilites

Navamedic ASA is not a party to any ongoing legal proceedings or disputes.

Note 11 – Transactions with related parties

The following internal transactions between the parent company and subsidiaries took place in the accounting year (figures in NOK thousands):

Company:	Transaction:	Nature:	2023	2022
Navamedic ASA	Charges from parent to subsidiary	Royalty	11,536	7,271
Navamedic ASA	Charges from parent to subsidiary	Service fee	36,096	38,961
Navamedic ASA	Charges from parent to subsidiary	Interest on loan	220	124
Navamedic AB	Charges from subsidiary to parent	Interest on loan	8,567	2,565

Note 12 – Financial items

Financial income

(in NOK '1000)	2023	2022
Interest income	3,820	3,009
Other financial income	0	16,269
Total financial income	**3,820**	**19,278**

Financial expenses

(in NOK '1000)	2023	2022
Interest expenses	15,355	4,338
Corrections for previous years	0	-3,881
Other financial expenses	2,365	142
Total financial expenses	**17,720**	**599**

Note 13 – Subsequent events

In February of 2024, Navamedic launched Eroxon, a breakthrough treatment of erectile dysfunction disorder in Norway. The product will be launched successively in the other Nordic countries during 2024.

Statement from the Board and CEO

The Board and CEO have on this date considered and approved the director's report and financial statements for the Navamedic Group and its parent company Navamedic ASA for 2023. The Board has based this statement on reports and statements from the chair of the Board and CEO, the results of the Group's operations and on other information that is material in assessing the Group's position and was provided to the Board of the parent company. To the best of our knowledge, confirm:

That the consolidated financial statements for 2023 have been prepared in compliance with the IFRS as established by the EU, with the requirements for additional disclosures stipulated in the Norwegian Accounting Act.

That the annual financial statements for the parent company for 2023 have been prepared in compliance with the Accounting Act and with good accounting practice in Norway.

The information in the financial statements provides a true and fair representation of the assets, liabilities, results and overall financial positions of the Navamedic Group and Navamedic ASA as at 31 December 2023.

That the director's 2023 report provides a true and fair overview of the performance, operating results and financial positions of the Group and the Company, as well as the key factors regarding risk and uncertainty currently facing the Group and the Company.

The Board of Directors and CEO of Navamedic ASA

Oslo, 29 April 2024

Terje Bakken (sign.)
Chairman

Jostein Davidsen (sign.)
Board member

Edmée Steenken (sign.)
Board member

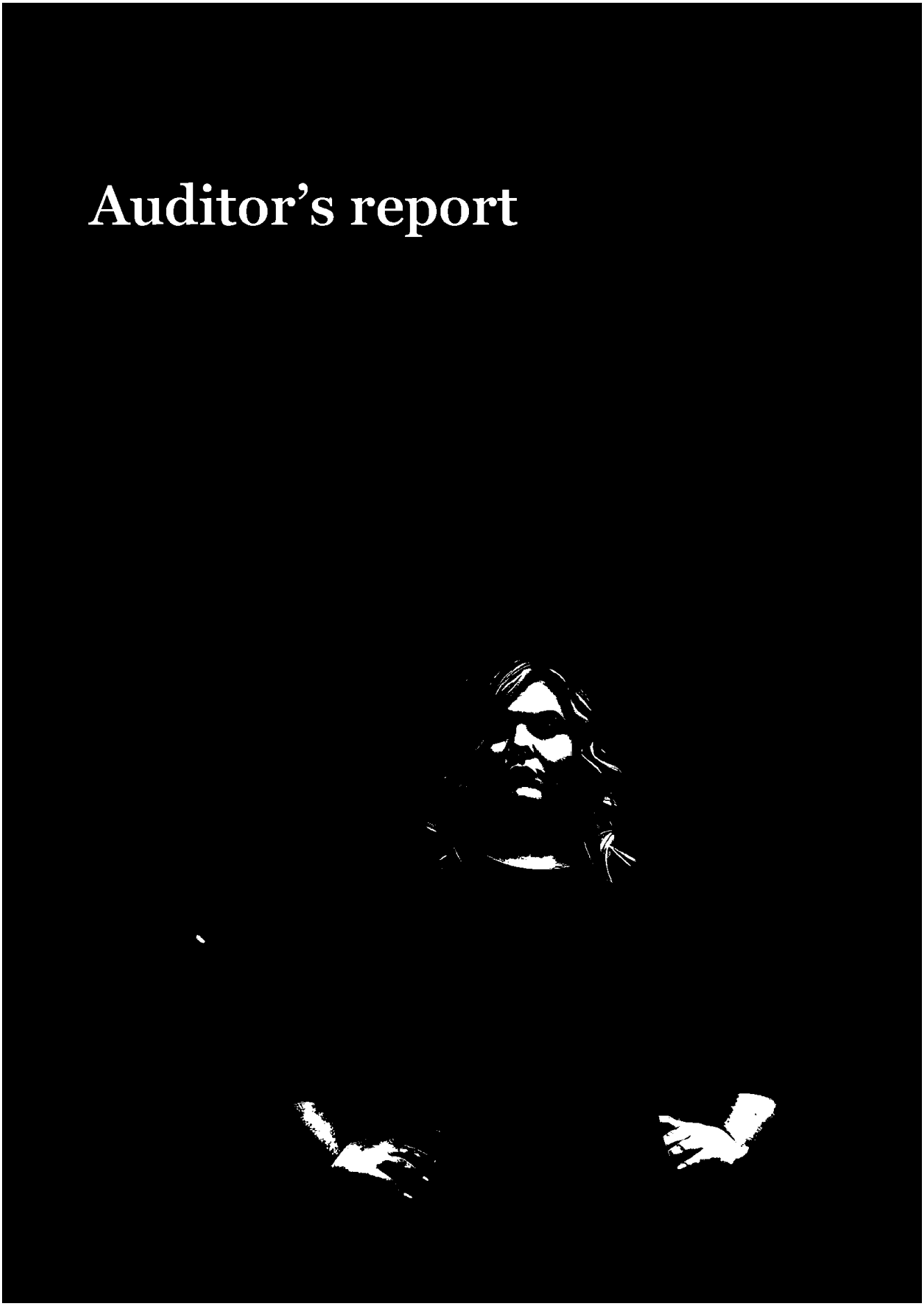
Narve Reiten (sign.)
Board member

Annika Kollén
Annika Kollén (sign.)
Board member

Åsa Kornfeld
Board member

Kathrine Gamborg Andreassen (sign.)
CEO

Auditor's report



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Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Navamedic ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Navamedic ASA (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the balance sheet as at 31 December 2023 and the income statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the consolidated statement of financial position at 31 December 2023, consolidated statement of comprehensive income for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable legal requirements,
- 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 cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

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 and the Group in accordance with the requirements of the 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 4 years from the election by the general meeting of the shareholders on 3 June 2020 for the accounting year 2020.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Impairment assessment of goodwill

Basis for the key audit matter
To test goodwill for impairment, management compares the carrying value of the relevant identifiable cash-generating unit ("CGU") to which goodwill has been allocated, with the recoverable amount based on estimated discounted cash flow forecasts. Estimating the value in use requires management judgement, including estimates of futures sales, growth rates, gross margin, working capital, capital expenditures and discount rates. Management`s assessment of the valuation of goodwill is a key audit matter because the size of the goodwill and the significant judgement involved in estimates used.

Our audit response
We tested management`s assumptions used in the value in use calculations, this included comparing projected revenues, gross margin, working capital and capital expenditures to budgets, sales forecasts and contracts approved by the board. We discussed the current market situation and expectations about future growth with management. We assessed the historical accuracy by a comparison of previous years estimates versus actual results and we tested the mathematical accuracy of the valuation model.

We refer to disclosures in note 8 in the consolidated financial statements.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and CEO) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, are consistent with the financial statements and contain the information required by applicable legal requirements.

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Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

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 the 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, 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 and the Group'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 and the Group'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 and the Group 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 fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial

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statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Navamedic ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name Navamedic ASA-2023-12-31-en-zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in

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human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 30 April 2024
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The auditor's report is signed electronically

Anja Maan
State Authorised Public Accountant (Norway)

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Alternative Performance Measures (APMs)

The following alternative performance measures are used in this report:

- **Gross profit** is equal to operating revenues minus cost of materials.
- **Gross margin** is gross profit as a percentage of operating revenue.
- **EBITDA** is gross profit less operating expenses, or Earnings Before Interest, Taxes, Depreciation and Amortization
- **Adjusted EBITDA** is EBITDA adjusted for transaction cost
- **EBITDA margin** is EBITDA as a percentage of operating revenue.
- **Equity ratio** is the total equity as a percentage of total assets.

ESEF Mandatory concepts

Name of reporting entity or other means of identification: Navamedic ASA
Domicile of entity: Norway
Legal form of entity: Public limited liability company
Country of incorporation: Norway
Address of entity's registered office: Henrik Ibsens gate 100, 0255 Oslo
Principal place of business: Norway
Name of parent entity: Navamedic ASA
Name of ultimate parent of group: Navamedic ASA

Navamedic ASA
Henrik Ibsensgate 100
0255 Oslo

www.navamedic.com

Skatteetaten

Vår dato	Din/Deres dato	Saksbehandler
27.01.2020	13.12.2019	Nazneen Pervez Soltvedt
800 80 000	Din/Deres referanse	Telefon
Skatteetaten.no		40728717+47 407 28 717
Org.nr	Vår referanse	Postadresse
974761076	2020/5000756	Postboks 9200 Grønland
		0134 OSLO

NAVAMEDIC ASA
Henrik Ibsens gate 90
0255 OSLO

Att. Lars Hjarrand

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Navamedic ASA, org.nr. 985 012 059

Vi viser til deres brev av 13. desember 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Navamedic ASA. Søknaden ble sendt til Skattedirektoratet. Skattedirektoratets myndighet til å treffe enkeltvedtak etter regnskapsloven § 3-4 tredje ledd ble delegert til skattekontoret med virkning fra 1. juni 2019.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Navamedic ASA dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Navamedic ASA ble børsnotert i 2006 og har både norske og internasjonale eiere. Selskapet utvikler og markedsfører legemidler og andre helseprodukter i Nord-Europa. Selskapet har et mål om å kunne tiltrekke seg både norske og utenlandske investorer samt å ha tilgang til finansiering i utenlandske kapitalmarkeder. Virksomheten retter seg i all hovedsak mot det internasjonale bedriftsmarkedet. Engelsk er selskapets arbeidsspråk. Bransjespråket innen sektorene som selskapets kunder og kreditorer opererer i er også engelsk. I tillegg er et styremedlem ikke norskspråklig.

Selskapet har dispensasjon fra kravet i verdipapirhandelloven § 5-13 om å offentliggjøre opplysninger på norsk.

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 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.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet er eid av både norske og utenlandske investorer og at selskapet har dispensasjon fra verdipapirhandelloven § 5-13. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Nazneen Pervez Soltvedt
skattejurist
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.