



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 915 642 888
Organisasjonsform: Aksjeselskap
Foretaksnavn: ASCENSIA DIABETES CARE NORWAY AS
Forretningsadresse: Strandveien 50
1366 LYSAKER

Regnskapsår

Årsregnskapets periode: 01.04.2021 - 31.03.2022

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Andreas Haarlammert
Dato for fastsettelse av årsregnskapet: 29.09.2022

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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, 10.10.2023



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2, 3	96 074 927	98 122 058
Annen driftsinntekt		0	1 500 000
Sum inntekter		96 074 927	99 622 058
Kostnader			
Varekostnad		56 460 830	55 814 071
Lønnskostnad	4, 5	22 779 267	22 590 291
Avskrivning på varige driftsmidler og immaterielle eiendeler	8, 9	724 454	3 741 528
Annen driftskostnad	4	13 903 656	14 957 838
Sum kostnader		93 868 207	97 103 728
Driftsresultat		2 206 720	2 518 330
Finansinntekter og finanskostnader			
Annen finansinntekt	6	17 520	23 454
Sum finansinntekter		17 520	23 454
Annen finanskostnad	6	153 660	129 800
Sum finanskostnader		153 660	129 800
Netto finans		-136 140	-106 346
Ordinært resultat før skattekostnad		2 070 580	2 411 984
Skattekostnad på ordinært resultat	7	472 684	562 880
Ordinært resultat etter skattekostnad		1 597 896	1 849 104
Årsresultat		1 597 896	1 849 104
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital	12	1 597 896	1 849 104
Sum overføringer og disponeringer		1 597 896	1 849 104



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	7	2 302 929	2 677 644
Goodwill	8	504 505	1 177 180
Sum immaterielle eiendeler		2 807 434	3 854 824
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	9	220 063	271 842
Sum varige driftsmidler		220 063	271 842
Sum anleggsmidler		3 027 497	4 126 666
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	10	12 252 269	9 754 788
Andre fordringer	10	133 812	4 200 072
Sum fordringer		12 386 081	13 954 860
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	11	36 686 332	33 118 641
Sum bankinnskudd, kontanter og lignende		36 686 332	33 118 641
Sum omløpsmidler		49 072 413	47 073 501
SUM EIENDELER		52 099 910	51 200 167
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	12, 13	103 200	103 200
Overkurs	12	14 146 330	14 146 330



Balanse

Beløp i: NOK	Note	2022	2021
Sum innskutt egenkapital		14 249 530	14 249 530
Opptjent egenkapital			
Annen egenkapital	10	9 927 704	7 683 887
Sum opptjent egenkapital		9 927 704	7 683 887
Sum egenkapital		24 177 234	21 933 417
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	5	6 180 502	6 844 945
Sum avsetninger for forpliktelser		6 180 502	6 844 945
Annen langsiktig gjeld			
Øvrig langsiktig gjeld		338 696	202 986
Sum annen langsiktig gjeld		338 696	202 986
Sum langsiktig gjeld		6 519 198	7 047 931
Kortsiktig gjeld			
Leverandørgjeld	10	8 412 102	7 624 075
Betalbar skatt	7	402 759	2 426 616
Skyldige offentlige avgifter		6 187 282	5 788 411
Annen kortsiktig gjeld		6 401 335	6 379 717
Sum kortsiktig gjeld		21 403 478	22 218 819
Sum gjeld		27 922 676	29 266 750
SUM EGENKAPITAL OG GJELD		52 099 910	51 200 167



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To the General Meeting of Ascensia Diabetes Care Norway AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Ascensia Diabetes Care Norway AS (the Company), which comprise the balance sheet as at 31 March 2022, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 March 2022, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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

Other Information

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

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

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

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

Responsibilities of Management for the Financial Statements

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

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserede revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodo	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund



Independent Auditor's Report - Ascensia Diabetes Care Norway AS

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Oslo, 29 September 2022
KPMG AS

Lone Frogner
State Authorised Public Accountant



Skattedirektoratet

Saksbehandler
Rune Tystad

Deres dato
03.10.2017

Vår dato
24.10.2017

Telefon
97759464

Deres referanse
Lars Helland

Vår referanse
2017757183

ERNST & YOUNG AS
Postboks 8015
4313 SANDNES

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Ascensia Diabetes Care Norway AS, org.nr. 915 642 888

Vi viser til deres brev av 3. oktober 2017 der dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Ascensia Diabetes Care Norway AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Ascensia Diabetes Care Norway AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

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

Bakgrunn

Fra deres søknad gjengis:

Ascensia Diabetes Care Norway AS (org.nr. 915 642 888) er et norsk aksjeselskap og driver virksomhet knyttet til produksjon, markedsføring og salg av farmasøytiske produkter innen legemiddel- og helseindustrien.

Selskapets arbeidsspråk er engelsk da selskapet er eid av et utenlandsk selskap. Styremedlemmer og kontaktperson i selskapet kommuniserer med morselskapet i utlandet noe som gjør at regnskapet bør utarbeides på engelsk.

Både arbeidsspråket til selskapet og bransjespråket der selskapet opererer er engelsk, derfor fremstår kravet i regnskapsloven § 3-4 om utarbeidelse av årsregnskap og årsberetning på norsk som lite anvendelig for selskapet. I tillegg til at det er ressurskrevende, fører av og til tvil om oversettelse og uoverensstemmelser mellom engelsk og norsk versjon til unødvendige misforståelser.

Ettersom selskapets arbeidsspråk er engelsk vil alle ansatte forstå regnskapet og årsberetningen selv om disse dokumentene i fremtiden blir utarbeidet i sin endelige form på engelsk. Det samme vil være tilfelle for selskapets kunder og kreditorer. Ettersom engelsk også er bransjespråket innen sektorene de opererer i, kan vi heller ikke se at andre, mer tilfeldige regnskapsbrukere skulle ha noe behov for at regnskapet utarbeides på norsk. Selskapet mener derfor at alle brukere av regnskapet i sum vil være tjent med at regnskapet kun utarbeides på engelsk.

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0134 Oslo

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Se www.skatteetaten.no
Org.nr: 996250318
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Sentralbord
800 80 000
Telefaks
22 17 08 60



Skattedirektoratets 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 m.v., 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 Skattedirektoratets 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 Skattedirektoratet lagt vekt på at selskapet er eid av et utenlandsk selskap og at eierkretsen derfor er begrenset. Videre er det vektlagt at selskapets arbeidsspråk er engelsk og at bransjespråket der selskapet opererer er engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Rune Tystad

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



Ascensia Diabetes Care Norway AS

Annual report 2021/2022

Board of directors' report

Annual accounts

- Income statement
- Balance sheet
- Cash flow statement
- Notes

Auditor's report

Penneo Dokumentnøkkel: TDC7X-5LNS2-KSLPC-337HB-SB7UQ-NTIFY



Ascensia Diabetes Care Norway AS

Income statement 01.04.-31.03

NOK	Note	2021/2022	2020/2021
Revenue			
Sales revenue	2, 3	96 074 927	98 122 058
Other operating income		0	1 500 000
Total revenue		<u>96 074 927</u>	<u>99 622 058</u>
Operating expenses			
Cost of goods sold		56 460 830	55 814 071
Payroll expenses	4, 5	22 779 267	22 590 291
Depreciation and amortization	8, 9	724 454	3 741 528
Other operating expenses	4	13 903 656	14 957 838
Total operating expenses		<u>93 868 207</u>	<u>97 103 728</u>
Operating result		<u>2 206 720</u>	<u>2 518 330</u>
Financial income and expenses			
Other financial income	6	17 520	23 454
Other financial expenses	6	153 660	129 800
Net financial items		<u>-136 140</u>	<u>-106 346</u>
Result before tax		<u>2 070 580</u>	<u>2 411 984</u>
Tax expense	7	<u>472 684</u>	<u>562 880</u>
Net profit for the year		<u>1 597 896</u>	<u>1 849 104</u>
Allocated as follows			
Transferred to/(-from) other equity	12	<u>1 597 896</u>	<u>1 849 104</u>

Penneo Dokumentnøkkel: TDC7X-5LNS2-KSLPC-337HB-SB7UQ-NTIFY



Ascensia Diabetes Care Norway AS

Fixed assets

Intangible assets

Deferred tax asset	7	2 302 929	2 677 644
Customer base	8	504 505	1 177 180
Total intangible assets		<u>2 807 434</u>	<u>3 854 824</u>

Tangible assets

Fixtures and fittings, tools, office machinery etc.	9	220 063	271 842
Total tangible assets		<u>220 063</u>	<u>271 842</u>

Total fixed assets		<u>3 027 497</u>	<u>4 126 666</u>
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Current assets

Receivables

Accounts receivable	10	12 252 269	9 754 788
Other receivables	10	133 812	4 200 072
Total receivables		<u>12 386 081</u>	<u>13 954 860</u>

Cash and cash equivalents	11	<u>36 686 332</u>	<u>33 118 641</u>
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Total current assets		<u>49 072 413</u>	<u>47 073 501</u>
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Total assets		<u>52 099 910</u>	<u>51 200 167</u>
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Penneo Dokumentnøkkel: TDC7X-5LNS2-KSLPC-337HB-SB7UQ-NTIFY



Ascensia Diabetes Care Norway AS

Balance sheet as of March 31st

NOK	Note	2021/2022	2020/2021
Equity			
<i>Paid-in capital</i>			
Share capital	12, 13	103 200	103 200
Share premium reserve	12	14 146 330	14 146 330
Total paid-in capital		<u>14 249 530</u>	<u>14 249 530</u>
<i>Retained earnings</i>			
Other equity	12	9 927 704	7 683 887
Total retained earnings		<u>9 927 704</u>	<u>7 683 887</u>
Total equity		<u>24 177 234</u>	<u>21 933 417</u>
Liabilities			
<i>Provisions</i>			
Pension liabilities	5	6 180 502	6 844 945
Total provisions		<u>6 180 502</u>	<u>6 844 945</u>
<i>Other long-term liabilities</i>			
Other long-term liabilities		338 696	202 986
Total other long-term liabilities		<u>338 696</u>	<u>202 986</u>
<i>Current liabilities</i>			
Accounts payable	10	8 412 102	7 624 075
Tax payable	7	402 759	2 426 616
Public duties payable	11	6 187 282	5 788 411
Other short-term liabilities		6 401 335	6 379 717
Total current liabilities		<u>21 403 478</u>	<u>22 218 819</u>
Total liabilities		<u>27 922 676</u>	<u>29 266 750</u>
Total equity and liabilities		<u>52 099 910</u>	<u>51 200 167</u>

31 Mars 2022
Lysaker, 29 September 2022

Torstein Myhre
Board member, General
manager

Maria Josefina Schybergson
Board member

Torkild Sagberg Andersen
Chairman of the board

Penneo Dokumentnøkkel: TDC7X-5LNSZ-KSLPC-337HB-SB7UQ-NTIFY



Ascensia Diabetes Care Norway AS

Cash flow from operating activities

Result before tax		2 070 580	2 411 984
Taxes paid		-2 304 011	-881 388
Depreciation and amortisation	8,9	724 454	3 741 528
Changes in pension scheme assets/liabilities	5	163 661	416 904
Changes in accounts receivables and accounts payables		-1 709 454	1 434 942
Changes in other current balance sheet items		4 622 461	-713 464
Net cash flow from operating activities		<u>3 567 691</u>	<u>6 410 506</u>

Cash flow from investing activities

Net cash flow from investing activities		<u>0</u>	<u>0</u>
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Cash flow from financing activities

Net cash flow from financing activities		<u>0</u>	<u>0</u>
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Net change in cash and cash equivalents		3 567 691	6 410 506
Cash and cash equivalents as of 01.04.2021		33 118 641	26 708 135
Cash and cash equivalents as of 31.03.2022		<u>36 686 332</u>	<u>33 118 641</u>

Penneo Dokumentnøkkel: TDC7X-5LNS2-KSLPC-337HB-SB7UQ-NTIFY



Ascensia Diabetes Care Norway AS

Notes to the accounts for 2021/2022

NOK

Note - 1 Accounting Principles

The annual report is prepared according to the Norwegian Accounting Act 1998 (with subsequent changes) and generally accepted. The numbers in financial statement are stated in NOK.

Sales revenue

Sales revenues are recognized at the time of delivery. Revenue from services are recognized at execution. The share of sales revenue associated with future services are recorded in the balance sheet as deferred sales revenue, and are recognized at the time of execution.

Ascensia Diabetes Care Norway AS is a wholly owned indirect subsidiary of PHC Holdings Corporation, within the Ascensia Diabetes Care Group. The Company's trading model remains predominantly acting as a sales and marketing entity for the Ascensia Group in Norway, buying finished good product from the Company's parent company, Ascensia Diabetes Care Holdings AG, for resale into Norway.

Balance sheet classification

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long-term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short-term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non incidental reduction in value the asset will be written down to the fair value amount. Long-term creditors are recognized at nominal value.

Accounts receivable and other receivables

Accounts receivable and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Foreign currency translation

Foreign currency transactions are translated using the year end exchange rates.

Property, plant and equipment

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

Penneo Dokumentnøkkel: TDC7X-5LNSZ-KSLPC-337HB-SB7UQ-NTIFY



Ascensia Diabetes Care Norway AS

Pensions

The company pension schemes include a defined benefit plan and a contribution plan. Pension costs and pension liabilities are estimated on the basis of linear earnings and future salary. The calculation is based on assumptions of discount rate, future wage adjustments, pension and other payments from the national insurance fund, future return on pension funds and actuarial assumptions for deaths, voluntary resignation etc. Pension funds are valued at fair value and deducted from net pension liabilities in the balance sheet. The defined benefit obligation is recognized in accordance with IAS 19. Changes in the pension obligations due to changes in pension plans are booked to equity.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences, both positive and negative, are balanced out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short-term highly liquid placement with original maturities of three months or less.



Ascensia Diabetes Care Norway AS

Notes to the accounts for 2021/2022

NOK

Note 2 - Sales revenue

	2021/2022	2020/2021
<i>By business area</i>		
Operating in BGM (Blood Glucose Monitoring) marked	96 074 927	98 122 058
<i>Geographical distribution</i>		
Norway	96 074 927	98 122 058

Note 3 - Intercompany transactions with group and associated companies

<i>Sales revenue</i>	2021/2022	2020/2021
ICO service (recharges ADC Norway to ADC Holding)	9 463 253	11 970 310

ADC Holdings is a principle entity that is responsible for global strategy, R&D, packaging and global brand development and marketing. Under the management and control of ADC Holdings, ADC Norway assists ADC Holdings in the execution of its responsibilities by providing the marketing services and management support for the Nordics region

<i>Cost</i>	2021/2022	2020/2021
ICO services (recharges ADC Holding to ADC Norway)	768 918	1 466 807
Inventory (COGS)	56 460 830	55 814 071
Total cost	<u>57 229 748</u>	<u>57 280 878</u>

In 2021, ADC Norway reimbursed ADC Holdings for the following third-party costs, initially incurred by ADC Holdings for the benefit of ADC Norway: payroll administration service, travel and expense claims support, IT software and services provided by various vendors, Call centre services, laptops sold by various vendors.

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Ascensia Diabetes Care Norway AS

Note 4 - Payroll expenses, number of employees and loans to employees and auditor's fee

<i>Payroll expenses</i>	2021/2022	2020/2021
Salaries	16 647 238	16 900 880
Payroll tax	2 780 314	2 654 625
Pension costs	2 048 543	2 110 332
Other payroll expense	1 303 172	924 454
Total payroll expenses	<u>22 779 267</u>	<u>22 590 291</u>

Average number of full-time equivalents 14 15

The entity is required to have an occupational pension scheme in accordance with the Act on Mandatory Occupational Pensions. The entity's pension schemes satisfy the requirements of this Act.

Management remuneration to Board

Salary	4 569 000
Other remuneration	376 812

The entity has not paid any other remuneration to the general manager or the board of directors during the year. There are no loans/securities issued to the general manager or board of directors.

Auditor fee has been divided as follows

	2021/2022
Statutory audit fee	174 823
Tax advisory fee	0

VAT is not included in the auditor fees.



Ascensia Diabetes Care Norway AS

Notes to the accounts for 2021/2022

NOK

Note 5 - Pensions

The company is obliged to follow "lov om obligatorisk tjenestepensjon" and confirm that the existing pension plan is in compliance with the legislation.

Benefit plan:

The company has a defined benefit pension plan with four participants. The scheme gives entitlement to defined future benefits. These are mainly dependent on the amount of contribution years, salary level at retirement age and the size of benefit from the National Insurance Scheme. The obligations are covered through an insurance company.

	2021/2022	2020/2021
Pension obligation	21 568 578	20 999 535
Pension plan assets (market value)	-15 388 076	-14 154 590
Pension obligation benefit plan	6 180 502	6 844 945
Net pension obligation in the balance sheet	6 180 502	6 844 945

Net pension cost booked in P&L is NOK 2 048 543, where NOK 980 916 is related to defined contribution plan and NOK 1 067 627 is related to defined benefit plan. Pension booked against equity is NOK 828 105.

Principal assumptions:	2021/2022	2020/2021
Discount rate	2,10%	1,60%
Expected compensation increase	2,75%	2,75%
Increases in Social Security	1,50%	1,60%

The actuarial assumptions are based on assumptions of demographic factors normally used within the insurance industry.

Note 6 - Financial income and expense

	2021/2022	2020/2021
<i>Other financial income</i>		
Currency exchange gain	0	18 775
Other interest income	17 520	4 679
Total financial income	17 520	23 454
<i>Other financial expenses</i>		
Currency exchange loss	16 256	0
Other interest expense	137 404	129 800
Total financial expenses	153 660	129 800

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Ascensia Diabetes Care Norway AS

Note 7 - Income taxes

<i>Income tax expense</i>	2021/2022	2020/2021
Tax payable	280 154	1 044 034
Change in deferred tax	192 530	-481 154
Total income tax expense	<u>472 684</u>	<u>562 880</u>
<i>Tax base estimation</i>	2021/2022	2020/2021
Result before tax	2 070 580	2 411 984
Permanent differences	77 988	146 564
Change in temporary differences	-1 703 247	835 512
Of which pension booked to Equity	828 105	1 351 549
Tax base	<u>1 273 426</u>	<u>4 745 609</u>
Tax payable (22%) of the tax base	280 154	1 044 034
Tax payable from prior years	122 605	1 382 582
Tax payable in balance sheet	<u>402 759</u>	<u>2 426 616</u>
<i>Temporary differences outlined</i>	2021/2022	2020/2021
Fixed assets	4 109 565	5 140 194
Pension liabilities	6 180 502	6 844 945
Accounting accruals	177 792	185 969
Net temporary differences	<u>10 467 859</u>	<u>12 171 108</u>
Deferred income tax asset (22%)	2 302 929	2 677 644
<i>Effective tax rate</i>	2021/2022	
Expected income taxes, statutory tax rate 22%	455 528	
Permanent differences (22%)	17 156	
Income tax expense	<u>472 684</u>	
Effective tax rate*)	23,3 %	

*) Tax expense divided by pre-tax income

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Ascensia Diabetes Care Norway AS

Notes to the accounts for 2021/2022

NOK

Note 8 - Intangible assets

	Goodwill	Customer base	Total
Acquisition cost as of 01.04.	20 113 830	4 708 719	24 822 549
Acquisition cost as of 31.03.	20 113 830	4 708 719	24 822 549
Acc.amortization as of 31.03.	-20 113 830	-4 204 214	-24 318 044
Net carrying amount as of 31.03.	0	504 505	504 505
Amortization for the year	0	672 674	672 674
Amortization plan	Linear	Linear	
Useful economic life	5 years	7 years	

Note 9 - Tangible assets

	Furniture and fixtures, tools etc	Total
Acquisition cost 01.04.	517 795	517 795
Acquisition cost 31.03.	517 795	517 795
Acc.depreciation 31.03.	-297 732	-297 732
Net carrying amount as of 31.03.	220 063	220 063
Depreciation for the year	51 780	51 780
Useful economic life	10 years	
Depreciation Plan	Linear	

Note 10 - Intercompany balances with group and associated companies

<i>Receivables</i>	2021/2022	2020/2021
Accounts receivable	2 515 275	1 397 631
Other short-term receivables	0	3 138 759
Total intercompany receivables	2 515 275	4 536 390
<i>Payables</i>	2021/2022	2020/2021
Accounts payable	8 019 348	6 668 845
Other short-term payables	0	305 621
Total intercompany payables	8 019 348	6 974 466

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Ascensia Diabetes Care Norway AS

Note 11 - Bank deposit

	2021/2022
Restricted cash for employee withholding taxes as of 31.12.	681 140

Note 12 - Equity

	Share capital	Share premium reserve	Other equity	Total
Equity 01.04.	103 200	14 146 330	7 683 887	21 933 417
Net profit for the year	0	0	1 597 896	1 597 896
Pension	0	0	645 921	645 921
Equity 31.03.	103 200	14 146 330	9 927 704	24 177 234

Note 13 - Share capital and shareholder information

Share capital:

	Number of shares	Face value, NOK	Book value, NOK
Ordinary shares	2 400	43	103 200

Shareholders per 31.03:

	Ordinary shares	Ownership share	Voting rights
Ascensia Diabetes Care Holdings AG	2 400	100 %	100 %

The entity is part of the consolidated accounts for Ascensia Diabetes Care Holdings AG, whose address is: Ascensia Diabetes Care Holdings AG, Merian-Str. 90, 4052 Basel, Switzerland.

The consolidated accounts can be obtained from:
<https://holdings.panasonic/global/corporate/investors.html>

Note 14 - Significant events after the financial year

No significant events have occurred since the end of the financial year.

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Torstein Myhre

Daglig leder

På vegne av: Ascensia Diabetes Care Norway AS

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Torstein Myhre

Styremedlem

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Maria J Schybergson

Styremedlem

På vegne av: Ascensia Diabetes Care Norway AS

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Torkild Sagberg Andersen

Styreleder

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ASCENSIA DIABETES CARE NORWAY AS

ANNUAL REPORT 2021

The business

Ascensia Diabetes Care Norway AS (ADC Norway AS) was established in 2015, and the business activities started at the beginning of 2016 through the acquisition of Bayer Diabetes Care by Panasonic Healthcare Holdings.

The company is a wholly owned subsidiary of Ascensia Diabetes Care Holdings AG, corporate identity number CHE 427.105.881, registered office in Basel, Switzerland, which is part of Ascensia Diabetes Care Group. The consolidated financial statements of the foreign parent company can be obtained from Panasonic Healthcare Holdings Co., Ltd 2-38-5 Nishishimbashi, Minato-ku, Tokyo 105-8433, Japan.

The company provides solutions for assisting and supporting people with diabetes, enabling them to live as safe and secure a life as possible. The business is located and run out of Lysaker in Bærum.

ADC Norway AS is responsible for all sales and marketing activities aimed at end users who have diabetes or are associated with people with diabetes, and healthcare professionals. Our equipment with more than 80 years of history is tools to make everyday life easier for people with diabetes.

Business Model

Ascensia Diabetes Care Norway AS is a wholly owned indirect subsidiary of PHC Holdings Corporation, within the Ascensia Diabetes Care Group. During the financial year the Company's trading model remained consistent, predominantly acting as a sales and marketing entity for the Ascensia Group in Norway, buying finished good product from the Company's parent company, Ascensia Diabetes Care Holdings AG, for resale in Norway.

Financial performance

Management considers the Company's financial performance in the year satisfactory. The market share has improved, and the company is well-equipped for the future. The fact that the company is operating in a therapeutic area of chronic ill patients provides a strong level of stability and predictability to the business and performance. Moreover, the product offering is fully reimbursed by the National health care fund (HELFO) which means that the company is less subjected to sudden changes in commercial terms. The major reason for the decrease in sales revenue in 2021/2022 is a declining market for Blood Glucose Self testing and parallel import from other EU countries.

The revenues decreased from NOK 98 122 058 in 2020/2021 to NOK 96 074 927 in 2021/2022. The income statement for 2021/2022 shows a net profit of NOK 1 597 896 against a net profit of NOK 1 849 104 last year. The balance sheet at 31 March 2022 shows equity of NOK 24 177 234 and a total balance of NOK 52 099 910.



Dividend	NOK	0
Transfers other equity	<u>NOK</u>	<u>1 597 896</u>
Sum predisposed	NOK	1 597 896

Net cash flow from operating activities was NOK 3 567 691 and the operating result constituted NOK 2 206 720. The operating result is slightly lower in comparison to previous fiscal year 2020/2021, but there is a significant change in the net cash flow from operating activities. Deviation between net cash flow and operating result is mainly driven by changes in Changes in accounts receivables and accounts payables and Changes in other current balance sheet items.

The liquidity reserve as of 31.03.2022 amounted to NOK 36 686 332. Liquidity is considered satisfactory. There is a NOK 5 million revolving facility in place between ADC Holdings AG and ADC Norway AS, which can be used in case of liquidity necessity. The low risk distribution model between ADC Holdings and ADC Norway AS has been adapted to avoid any local liquidity risk.

Total assets at 31.03.2022 amounted NOK 52 099 910, compared NOK 51 200 167 last year. The equity ratio was 46,4 % of 31.03.2022, compared to 42,8 % the year before. The gross margin was 41,2 %, compared to 44,0 % the year before.

Research and development activities

The company does not have any research and development activities on their own account.

Credit risk

ADC Norway AS operated solely in Norway, a country characterized by a very stable macroeconomic environment, therefore the management considers the market risk to be minimum. 89% of the sales in 2021/2022 were generated by three top customers, with whom the company has had a long-lasting business relationship. All three main customers are large entities with European footprint and proved an impeccable payment behavior throughout the time. Furthermore, ADC Norway AS does a closely monitoring of the credit management. Based on this assessment, the management consider that the credit risk is properly addressed and minimized.

Market

Blood Glucose Monitoring (BGM) market where ADC Norway AS operates, is impacted by technological changes (i.e. FGM and CGM). The management has taken measures to compensate for the potential negative effects, by having a European approach to the portfolio structure, actions targeted to increase the market share in BGM market. During fiscal year 2021 Ascensia has taken over the global distribution contract for the Eversense CGM product. Eversense is an implantable device manufactured by Senseonics Inc located in the US. Eversense CGM was during 2021 reimbursed by "Sykehusinnkjøp" for a subset of diabetes Type 1 patients and distributed at hospitals. This product allows Ascensia to enter the CGM category and to build valuable insight and learnings on how to operate within this category. Connectivity to all user base opens up opportunities to add on other products and services to generate incremental revenue streams.



ADC Norway AS is operating in a therapeutic area of chronic ill patients selling products solutions that is reimbursed at a fixed price by the National health care fund (HELFO). As such, the risk that follows the market development is predictable and manageable.

A going concern

The financial statements are presented under the assumption of going concern and the Board of Directors and the managing director confirm the appropriateness of this assumption. The company has focus on measures to meet new challenges in the market. The statements on the expected development represent the current expectations, estimates and budget plans, which are based on assumptions and naturally contain uncertainties. The actual development can therefore deviate from the expectations presented. The board stresses the uncertainty related to going concern considerations.

Working environment

The number of Head Count in 2021/2022 was 14. The leave of absence due to sickness was 4%. In this accounting period, there has not been registered any damages or accident for employees or tangible assets.

The work environment is considered to be good. The cooperation between the employees has been constructive and contributed positively to the enhancement of working environment and operation.

ADC Norway AS has two men and one woman in the board.

The Board of Director's ambition is, in the long term, to fulfill society's long term expectation regarding equality between the genders.

There has been no incurrence for the board/CEO in case of possible responsibility on behalf of the company.

The external environment

The business operations do only to a small extent directly affect the external environment, considering that ADC Norway AS to a large extent only is commissioning sales for other ADC companies.

Covid-19, the global pandemic situation and Ukrainian crisis have little impact on the consumption of our BGM products in Norway. Chronically ill patients are still dependent on the products we sell to manage and control their disease. In order to ensure that Norwegian patients with diabetes can still get hold of the medical equipment they are highly dependent on HELFO has increased the reimbursement price of BGM products. This is to ensure that small and medium sized importers and distributors are compensated for the increased capital, raw material and transportations costs following the pandemic situation.



Board of Ascensia Diabetes Care Norway AS

29 September 2022

Torstein Myhre

Board member, General
manager

Maria Josefina
Schybergson

Board member

Torkild Sagberg Andersen

Chairman of the board

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