



ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 728432

Enheten

Organisasjonsnummer: 987 361 719
Organisasjonsform: Aksjeselskap
Foretaksnavn: NOVELDA AS
Forretningsadresse: Garverivegen 2
3850 KVITeseid

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: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Jan-Bjørnar Lund
Dato for fastsettelse av årsregnskapet: 14.07.2024

Revisjon

Ekstern autorisert regnskapsfører har i løpet av regnskapsåret bistått ved den løpende regnskapsføringen eller utført andre tjenester for selskapet enn å utarbeide årsregnskapet: Ja

Grunnlag for avgivelse

År 2023: Årsregnskap 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, 21.08.2024

Organisasjonsnr: 987 361 719
NOVELDA AS

RESULTATREGNSKAP

<u>Beløp i: NOK</u>	<u>Note</u>	<u>2023</u>	<u>2022</u>
RESULTATREGNSKAP			
Inntekter			
Sales revenue	2	15 030 424	20 348 130
Other operating income		553 048	2 603 259
Sum inntekter		15 583 472	22 951 389
Kostnader			
Cost of materials		8 886 997	14 525 102
Payroll expenses	3,4,5,6	102 144 501	91 383 986
Depreciation of tangible and intangible fixed assets	7,8	6 071 868	4 679 288
Other operating expenses	6,9,10	69 456 763	60 083 379
Sum kostnader		186 560 129	170 671 755
Driftsresultat		-170 976 657	-147 720 366
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	10	3 381	26 855
Financial income	11	7 686 685	6 629 360
Sum finansinntekter		7 690 066	6 656 215
Financial expenses	11	2 719 943	2 187 068
Sum finanskostnader		2 719 943	2 187 068
Netto finans		4 970 123	4 469 147
Ordinært resultat før skattekostnad		-166 006 534	-143 251 219
Ordinært resultat etter skattekostnad		-166 006 534	-143 251 219
Årsresultat		-166 006 534	-143 251 219
Overføringer og disponeringer			
Transferred from share premium fond	17	-166 006 534	-143 251 219
Sum overføringer og disponeringer		-166 006 534	-143 251 219

Organisasjonsnr: 987 361 719
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BALANSE

<u>Beløp i: NOK</u>	<u>Note</u>	<u>2023</u>	<u>2022</u>
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Patents, licences and similar rights	7	7 306 179	7 032 658
Sum immaterielle eiendeler		7 306 179	7 032 658
Varige driftsmidler			
Fixtures and fittings, tools, office machinery etc.	8	4 806 231	464 830
Equipment	8	12 345 572	12 391 598
Sum varige driftsmidler		17 151 803	12 856 428
Finansielle anleggsmidler			
Investering i datterselskap	13	2 391 092	2 391 092
Other long-term receivables		1 113 825	1 613 190
Sum finansielle anleggsmidler		3 504 917	4 004 282
Sum anleggsmidler		27 962 899	23 893 368
Omløpsmidler			
Varer			
Inventories	14	12 992 402	13 647 155
Sum varer		12 992 402	13 647 155
Fordringer			
Trade receivables		3 445 763	1 823 391
Other receivables	10, 15	10 445 345	19 777 987
Sum fordringer		13 891 108	21 601 378
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	16	116 271 365	265 455 064
Sum bankinnskudd, kontanter og lignende		116 271 365	265 455 064
Sum omløpsmidler		143 154 875	300 703 597
SUM EIENDELER		171 117 774	324 596 965
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	17, 18	1 861 910	1 861 245

Overkurs	17	116 124 190	282 130 724
Annen innskutt egenkapital	17	9 337 281	5 842 367
Sum innskutt egenkapital		127 323 381	289 834 336
Other equity			
Sum egenkapital		127 323 381	289 834 336
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Other long-term liabilities		20 000 000	
Sum annen langsiktig gjeld		20 000 000	
Sum langsiktig gjeld		20 000 000	0
Kortsiktig gjeld			
Leverandørgjeld	10	6 525 327	13 944 488
Public duties payable	16	7 433 176	6 443 943
Other short-term liabilities	19	9 835 891	14 374 198
Sum kortsiktig gjeld		23 794 394	34 762 629
Sum gjeld		43 794 394	34 762 629
SUM EGENKAPITAL OG GJELD		171 117 775	324 596 965

Organisasjonsnr: 987 361 719
NOVELDA AS

KONSERNRESULTATREGNSKAP

<u>Beløp i: NOK</u>	<u>Note</u>	<u>2023</u>	<u>2022</u>
RESULTATREGNSKAP			
Inntekter			
Sales revenue	2	15 030 424	20 348 130
Other operating income		553 048	2 603 259
Sum inntekter		15 583 472	22 951 389
Kostnader			
Cost of materials		8 886 997	14 525 102
Payroll expenses	3,4,5,6	108 509 406	98 148 328
Depreciation of tangible and intangible fixed assets	7,8	6 071 868	4 679 288
Other operating expenses	6,9,10	62 357 755	52 612 303
Sum kostnader		185 826 026	169 965 021
Driftsresultat		-170 242 554	-147 013 632
Finansinntekter og finanskostnader			
Financial income	11	7 699 909	6 643 906
Sum finansinntekter		7 699 909	6 643 906
Financial expenses	11	2 748 244	2 199 592
Sum finanskostnader		2 748 244	2 199 592
Netto finans		4 951 665	4 444 314
Ordinært resultat før skattekostnad			
Tax on ordinary result	12	-165 290 889	-142 569 318
Ordinært resultat etter skattekostnad		369 353	-4 981
Årsresultat		-165 660 242	-142 564 337
Overføringer og disponeringer			
Transferred from share premium fond	17	-165 660 242	-142 564 447
Sum overføringer og disponeringer		-165 660 242	-142 564 447

Organisasjonsnr: 987 361 719
NOVELDA AS

KONSERNBALANSE

<u>Beløp i: NOK</u>	<u>Note</u>	<u>2023</u>	<u>2022</u>
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Patents, licences and similar rights	7	7 306 179	7 032 658
Sum immaterielle eiendeler		7 306 179	7 032 658
Varige driftsmidler			
Fixtures and fittings, tools, office machinery etc.	8	4 806 231	464 830
Equipment	8	12 345 572	12 391 598
Sum varige driftsmidler		17 151 803	12 856 428
Finansielle anleggsmidler			
Other long-term receivables		1 113 825	1 613 190
Sum finansielle anleggsmidler		1 113 825	1 613 190
Sum anleggsmidler		25 571 807	21 502 276
Omløpsmidler			
Varer			
Inventories	14	12 992 402	13 647 155
Sum varer		12 992 402	13 647 155
Fordringer			
Trade receivables		3 445 763	1 823 391
Other receivables	10, 15	10 681 955	19 821 628
Sum fordringer		14 127 718	21 645 019
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	16	119 501 109	269 621 939
Sum bankinnskudd, kontanter og lignende		119 501 109	269 621 939
Sum omløpsmidler		146 621 229	304 914 113
SUM EIENDELER		172 193 036	326 416 389
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	17, 18	1 861 910	1 861 245
Overkurs	17	116 124 190	283 844 250

Annen innskutt egenkapital	17	9 337 281	5 842 367
Sum innskutt egenkapital		127 323 381	291 547 862
Opptjent egenkapital			
Other equity		1 851 521	
Sum opptjent egenkapital		1 851 521	
Sum egenkapital		129 174 902	291 547 862
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Other long-term liabilities		20 000 000	
Sum annen langsiktig gjeld		20 000 000	
Sum langsiktig gjeld		20 000 000	0
Kortsiktig gjeld			
Leverandørgjeld		5 531 563	14 022 293
Public duties payable	16	7 508 770	6 443 943
Other short-term liabilities	19	9 977 802	14 402 291
Sum kortsiktig gjeld		23 018 135	34 868 527
Sum gjeld		43 018 135	34 868 527
SUM EGENKAPITAL OG GJELD		172 193 037	326 416 389



To the General Meeting of Novelda AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Novelda AS, which comprise:

- the financial statements of the parent company Novelda AS (the Company), which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Novelda AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 20 in the financial statements. As described in the note the company will need additional liquidity to be able to meet its financial obligations. There is a risk that adequate

Offices in:



sources of funds may not be available, or not available at acceptable terms and conditions, when needed. As stated in Note 20, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's and the Group'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 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 a true and fair view.
- 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 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.

Oslo
KPMG AS

Kjetil Kristoffersen
State Authorised Public Accountant
(This document is signed electronically)

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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Kristoffersen, Kjetil

State Authorised Public Accountant

På vegne av: KPMG AS

Serienummer: no_bankid:9578-5998-4-1007631

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Annual report 2023

Novelda AS

Board of Directors' report

Company and group financial statements

- Statement of profit or loss**
- Statement of financial position**
- Statement of cash flows**
- Notes**

Auditors' report

Organisation number 987 361 719

Board of Director's report

Operation and locations

Novelda develops and sells highly advanced Ultra-Wideband (UWB) radar sensors for use in among others consumer electronics, smart buildings and health applications.

The Novelda group includes, in addition to Novelda AS (Novelda or the Company), Novelda US Inc and Novelda Japan K.K., together referred to as the Group. The Company also has a representative office in Hong Kong and a branch in Taiwan. The production and testing of Novelda's products are outsourced to external partners, mainly in Taiwan, Malaysia, Italy and Germany. The head office is in Oslo, Norway. In addition, Novelda also has office locations in Kviteseid and Trondheim.

Comments related to the financial statements

The Company experienced a decline in sales revenue of 26 % (Group 26 %) to NOK 15.0m (Group NOK 15.0m) in 2023 compared to NOK 20.3m (Group NOK 20.3m) in 2022. The decline in revenue is mainly related to a reduction in sales to Lenovo and shortfall of growth among other legacy customers. In addition, the production start of the Company's new module targeted for Smart Home and Building Automation applications, the X4F103, has been delayed.

Operating expenses increased 9 % (Group 9 %) to NOK 186.6m (Group NOK 185.8m). The operating result ended at NOK -171.0 (Group -170.2m), which is a decrease of 16 % (Group 16 %) compared to the previous year. The Company had an equity ratio of 74 % (Group 75 %) at the end of 2023. The operating cash outflow in 2022 for the Company was NOK 158.7m (Group 159.7m). The 2023 revenue numbers ended lower than budgeted due to the abovementioned reasons, while 2023 operating expenditures was 3% above the budget.

The difference between loss before tax and net cash flow from operating activities is related to depreciation and amortisation and share-based payments charges in addition to changes in other balance sheet items such as inventories, trade receivables and payables and prepayments and accruals.

Cash flow from investing activities relates to purchase of licences, printed circuit boards (PCBs) and lab equipment used in the development of the Company's products and technology. The majority of development costs relate to labour costs which is included in operating activities.

The board believes that the annual financial statements give a true and fair view of the Company's and the Group's financial position and result for the year.

Financial risk

Novelda's near-term revenue growth is largely dependent on traction and success with a limited number of large, international technology companies. These customers typically offer significant volume potential but with whom sales- and design-in processes are demanding, leading to significant revenue risk.

Novelda's products are also to a certain degree still unproven in several of the company's targeted markets and applications, and success in attracting new customers in these markets will be crucial.

Credit risk related to Novelda's customer base is regarded to be low as payments from smaller and less creditworthy customers are received upfront.

Novelda collects the majority of its revenue in foreign currency, mostly USD and is exposed to currency risks. However, a significant part of Novelda's costs, is also in USD. The Company is closely monitoring the currency risk.

The Company and the Group have funding until early August 2024 without any additional financing. Given the current situation, the Board of Directors highlights that additional funding will be needed in H2 2024.

Research and development activities

As a leader in the fast-growing UWB market, Novelda is continuously working on its product roadmap through several R&D initiatives and projects.

Significant R&D investments have been made into the development of new and highly differentiated radar platforms which will continue in 2024. Novelda is experiencing promising customer interest across multiple applications with X7, and X7 is expected to be released to the market early 2025. So far Novelda has shipped more than 200 development kits, and has more than 50 customers in evaluation, proof of concept, or in design-in phase. There is also an increasing interest in X9 type products, especially from the automotive industry, where Novelda has proof of concept with several major key Tier 1/OEMs. X9 will combine low-power UWB sensing and secure ranging and automotive is a major UWB market opportunity.

In 2023 the new generation 12x12 mm module (X4F103) based on the X4 radar platform was released to the market. X4F103 is easy to use, and a range of smaller and medium sized customers are designing in the module which is expected to go into production in H2 2024.

Going concern

Current Financial Position

As part of our ongoing financial review, the Board of Directors is addressing the critical liquidity challenge and the company's ability to continue its operation. Currently, Novelda's cash reserves are projected to be depleted by early August 2024. This situation necessitates immediate and decisive action to ensure the company's going concern and to protect shareholder value. The Board of Directors is currently evaluating a concrete proposal set forward by existing shareholders to secure the short-term liquidity.

Evaluation of Strategic Options

To secure the long-term operation, the Board of Directors is actively exploring several strategic options:

- *Raise one or several convertible loans*

The purpose of raising convertible loans is to swiftly secure the continuation of the Company's operations for a period of time ahead, and thereby provide the Company with additional time to secure a long term and sustainable financing of the Company and potentially a sale.

- *Potential Mergers and Acquisitions (M&A)*

We are evaluating potential M&A opportunities that could provide the necessary financial stability, liquidity, and strategic benefits. These potential opportunities may offer access to new markets, technologies, and resources that align with our long-term growth objectives. Our goal is to identify partners whose strengths complement our core competencies, thereby creating a more robust and competitive entity. However, such opportunities might take a long time to materialize, or not materialize at all.

- *Rights Issue:*

We are contemplating a rights issue later in 2024 after raising convertible loans. This approach would allow us to support our strategy. A rights issue would also provide our shareholders with the opportunity to increase their investment in the company at a potentially favourable valuation.

Going Concern Assumption

The Board and Management emphasize that there is a considerable risk associated with the company's ability to going concern following the uncertainty related to liquidity and securing necessary funding.

Conclusion

The Board of Directors is committed in taking all necessary steps to secure the liquidity runway and financial health of the company. We will keep our stakeholders informed of our progress and any significant developments. The Board of Directors and management team are working diligently to evaluate and execute the best possible strategies to ensure the long-term viability and success of the company.

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern.

The working environment and the employees

As per end of the year 2023, Novelda has 85 (Group 89) full-time employees. The sick leave in the Company was a total of 452 days in 2023, which amounted to 2.3%. The board of Directors considers the sick leave level satisfactory.

There has not been reported any occupational accidents resulting in property damage or personal injury during 2023. The working environment is considered good but is continuously monitored and improved.

Diversity and equality

The Board of Directors and the management have a strong focus on ensuring diversity, equality and non-discrimination within the Group. The Company employs more than 20 nationalities represented at the Company's offices in Norway. The Board believes that bringing together a group of employees with varied cultural, educational and professional background, will help the Group in succeeding as a global player.

Out of the Novelda's 85 (Group 89) full-time employees 13 (Group 13) are women, which represents 15% of the total employees. This is a decrease of 2 percentage points from the previous year. The proportion of women in management positions is 14%, down from 20% in 2022. The continued skewed gender

balance must be seen in context to the industry standard with woman representing only around 14% of the total. At Novelda, women represented 18% of all new employees in 2023, down from 26% in 2022. The Board of Directors together with the management team will continue their work to attract qualified female employees.

Novelda works actively, purposefully, and systematically for gender equality within the business. When recruiting, both internally and externally, personal qualifications take precedence over gender. The underrepresented gender will to a greater extent be encouraged to apply. In this way, Novelda will try to increase the proportion of women in the job categories where this is particularly low.

Equal pay and part-time employment

The average salary for women and men in full-time positions is NOK 875 481 and NOK 1 018 054 respectively. The salary gap is explained by the fact that a higher degree of female employees are recent hires in more junior roles. Novelda expects the salary difference to be reduced over time. Novelda's policy is that work of equal value shall provide equal pay. Salary levels are determined based on objective measures such as seniority, education and performance, in addition to local market practice and cost of living.

Novelda has six employees working part-time. The part-time work is freely chosen, and the part-time work is either due to studies or other additional employments. Five of the part-time workers are men and one is a woman.

Equal opportunities and discrimination

Novelda works actively to promote equality, ensure equal opportunities and rights and prevent discrimination on the grounds of ethnicity, national origin, descent, skin colour, language, religion and outlook on life. To contribute to this, the Company has, among other things, established routines for recruitment.

In 2023 there were seven employees in parental leave, six men and one woman. The average length of the parental leave in 2023 was 95.8 days. At Novelda all employees (men and women) get their full salary during parental leave. Novelda is also compensating the male employees for the first 14 days leave directly after their child's birth, with full salary (fødselspermisjon).

Corporate governance

Novelda has a board liability insurance on behalf of the members of the Board of Directors and the CEO. The insurance policy is issued by a reputable, specialized insurer with appropriate rating. The insurance covers personal liability for financial damage up to NOK 20 m.

External environment

Novelda's operations has limited impact on the environment. The Group operates in compliance with all applicable environmental legislation, without any requirement for waivers or exemptions. Manufacturing

is outsourced to leading third-party providers who are required to operate in compliance with the ISO 14001 environmental standards, in addition to other certifications, requirements, and qualifications.

Transparency

Due to the Norwegian Transparency Act, Novelda is required to carry out due diligence assessments for basic human rights and decent working conditions, in line with the OECD's guidelines for multinational companies.

A separate transparency report will be published by 30 June 2024. The report will be available on: <https://novelda.com/>.

The Board of Directors of Novelda AS,

Svein-Egil Nilsen
Chairman of the board

Alison Julia Burdett
Member of the board

Fredrik Thoresen
Member of the board

Otto Frøseth
Member of the board

Jan Bjørnar Lund
Chief Executive Officer

Statement of profit or loss


Parent company	2022 Amounts in NOK		Note	Group	
2023				2023	2022
Revenue					
15 030 424	20 348 130	Sales revenue	2	15 030 424	20 348 130
553 048	2 603 259	Other operating income		553 048	2 603 259
15 583 472	22 951 389	Total revenue		15 583 472	22 951 389
Operating expenses					
8 886 997	14 525 102	Cost of materials		8 886 997	14 525 102
102 144 501	91 383 986	Payroll expenses	3, 4, 5, 6	108 509 406	98 148 328
6 071 868	4 679 288	Depreciation of tangible and intangible fixed assets	7, 8	6 071 868	4 679 288
69 456 763	60 083 379	Other operating expenses	6, 9, 10	62 357 755	52 612 303
186 560 129	170 671 755	Total operating expenses		185 826 026	169 965 021
-170 976 658	-147 720 366	Operating result		-170 242 554	-147 013 632
Financial income and expenses					
3 381	26 855	Interest income from group companies	10	-	-
7 686 685	6 629 360	Financial income	11	7 699 909	6 643 906
2 719 943	2 187 068	Financial expenses	11	2 748 244	2 199 592
4 970 123	4 469 147	Net financial items		4 951 665	4 444 314
-166 006 536	-143 251 219	Ordinary result before tax		-165 290 889	-142 569 318
-	-	Tax on ordinary result	12	369 353	-4 981
-166 006 536	-143 251 219	Net profit or loss for the year		-165 660 242	-142 564 337
Distributions					
		Majority interests		-165 660 242	-142 564 337
		Minority interests		-	-
Allocated as follows					
-166 006 536	-143 251 219	Transferred from share premium fond	17		
-166 006 536	-143 251 219	Total allocations	17		

Statement of financial position as of December 31

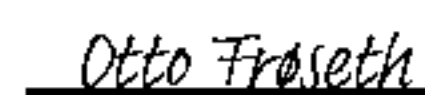
Parent company				Group	
2023	2022	Amounts in NOK	Note	2023	2022
Fixed assets					
<i>Intangible assets</i>					
		Patents, licences and similar rights			
7 306 179	7 032 658		7	7 306 179	7 032 658
7 306 179	7 032 658	Total intangible assets		7 306 179	7 032 658
<i>Tangible assets</i>					
		Fixtures and fittings, tools, office machinery etc.			
4 806 231	464 830		8	4 806 231	464 830
12 345 572	12 391 598	Equipment	8	12 345 572	12 391 598
17 151 803	12 856 428	Total tangible assets		17 151 803	12 856 428
<i>Financial assets</i>					
		Investments in subsidiaries			
2 391 092	2 391 092		13	-	-
1 113 825	1 613 190	Other long-term receivables		1 113 825	1 613 190
3 504 917	4 004 282	Total financial assets		1 113 825	1 613 190
27 962 900	23 893 368	Total fixed assets		25 571 808	21 502 276
Current assets					
12 992 402	13 647 155	Inventories	14	12 992 402	13 647 155
<i>Receivables</i>					
		Trade receivables			
3 445 763	1 823 391			3 445 763	1 823 391
10 445 345	19 777 987	Other receivables	10, 15	10 681 955	19 821 628
13 891 108	21 601 378	Total accounts receivables		14 127 718	21 645 019
116 271 365	265 455 064	Cash and cash equivalents	16	119 501 109	269 621 939
143 154 875	300 703 597	Total current assets		146 621 230	304 914 113
171 117 775	324 596 965	Total assets		172 193 037	326 416 389


Parent company 2023	2022	Amounts in NOK	Note	Group 2023	2022
Equity					
<i>Paid-in capital</i>					
1 861 910	1 861 245	Share capital	17, 18	1 861 910	1 861 245
116 124 190	282 130 724	Share premium reserve	17	116 124 190	283 844 250
9 337 281	5 842 367	Other paid-in capital	17	9 337 281	5 842 367
127 323 381	289 834 336	Total paid-in capital		127 323 381	291 547 862
<i>Retained earnings</i>					
-	-	Other equity	17	1 851 521	-
-	-	Total retained earnings		1 851 521	-
127 323 381	289 834 336	Total equity		129 174 902	291 547 862
Liabilities					
<i>Other long-term liabilities</i>					
20 000 000	-	Other long-term liabilities		20 000 000	-
20 000 000	-	Total other long term liabilities		20 000 000	-
<i>Current liabilities</i>					
6 525 327	13 944 488	Trade creditors	10	5 531 563	14 022 293
-	-	Tax payable	15	-	-
7 433 176	6 443 943	Public duties payable	16	7 508 770	6 443 943
9 835 891	14 374 198	Other short-term liabilities	19	9 977 802	14 402 291
23 794 394	34 762 629	Total current liabilities		23 018 135	34 868 527
43 794 394	34 762 629	Total liabilities		43 018 135	34 868 527
171 117 775	324 596 965	Total equity and liabilities		172 193 037	326 416 389

The Board of Directors of Novelda AS


 Svein-Egil Nielsen
 Chairman of the Board


 Alison Julia Burdett
 Member of the Board


 Otto Frøseth
 Member of the Board


 Fredrik Thoresen
 Member of the Board


 Jan Bjørnar Lund
 CEO

Statement of cash flows

Parent company	Amounts in NOK		Group	
	2023	2022	2023	2022
Cash flow from operating activities				
-166 006 535	-143 251 219	Profit/(loss) before tax	-165 290 890	-142 569 318
-	-	Taxes paid	-369 355	-242 249
6 071 869	4 679 288	Depreciation and amortisation	6 071 869	4 679 288
3 297 235	2 893 581	Share-based payments	3 297 235	2 893 581
654 753	-4 657 248	Changes in inventories	654 753	-4 657 248
-1 622 372	2 748 567	Changes in trade receivables	-1 622 372	2 748 567
-7 419 161	-9 615 981	Changes in trade payables	-8 490 730	-8 239 013
-2 561 771	-1 277 518	Changes in prepaid income	-2 561 771	-1 277 518
8 126 250	-6 186 313	Changes in prepaid expense	8 496 469	-6 667 072
-593 068	3 625 340	Changes in accrued expenses	-479 250	3 134 144
-	-	Translation differences	-208 294	159 928
1 311 523	3 559 496	Changes in other current balance sheet items	823 928	3 701 407
-158 741 277	-147 482 007	Net cash flow from operating activities	-159 678 408	-146 335 503
Cash flow from investing activities				
-2 191 248	-5 254 900	Purchase of intangible fixed assets	-2 191 248	-5 254 900
-8 449 518	-3 706 960	Purchase of tangible fixed assets	-8 449 518	-3 706 960
-	-33 539	Payments related to long term receivables	-	-
-10 640 766	-8 995 399	Dividends received	-10 640 766	-8 961 860
Cash flow from financing activities				
20 000 000	-	Proceeds from issuance of long term debt	20 000 000	-
198 344	980 360	Proceeds from issuance of equity	198 344	980 359
20 198 344	980 360	Net cash flow from financing activities	20 198 344	980 359
-149 183 699	-155 497 046	Net change in cash and cash equivalents	-150 120 830	-154 317 004
265 455 064	420 952 110	Cash and cash equivalents at 01.01	269 621 939	423 938 943
116 271 365	265 455 064	Cash and cash equivalents at 31.12	119 501 109	269 621 939

* Relate to prior year reclassifications of intangible and tangible asset and rental deposits.

Notes to financial statements

Note 1 - Accounting Principles

The financial statements are prepared according to the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Basis for consolidation

The consolidated financial statements comprise of the parent company Novelda AS (the company) and the wholly-owned subsidiaries Novelda US Inc and Novelda Japan K.K. (collectively the group). The consolidated financial statements are prepared such that the group of companies are presented as a single economic entity. Intercompany transactions have been eliminated in the consolidated financial statements. The consolidated financial statements and the company financial statements are prepared according to the same accounting principles.

The consolidated financial statements are presented in NOK. Foreign subsidiaries with functional currency other than NOK have been translated to the presentation currency applying year-end rates for assets and liabilities and average exchange rates for income and expenses items during the year. Translation differences have been recognised in equity.

Investments in subsidiaries

Investments in subsidiaries are valued at cost in the company financial statements. If fair value of the investment is assessed to be lower than the investment's carrying amount, a write-down is recognised. Write-down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write-downs are reversed when the cause of the initial write down no longer is present.

Sales revenue

Sales revenue consists of sales of UWB chip and modules to customers. Sales revenues are recognised at the time of delivery. The majority of sales are shipped with incoterms EX-Works (EXW). Payments related to future deliveries are recorded in the balance sheet as deferred revenue and are recognised at the time when payment is received.

Balance sheet classification

Balance sheet items which are expected to be realised or settled within one year are classified as current. Other assets and liabilities are classified as non-current.

Trade and other receivables

Trade receivables and other current receivables are recorded on the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments.

Inventories

Inventories are valued at the lower of cost and fair value. Cost is calculated using a moving average method. Finished goods and work in progress are valued at full production cost. Write-downs are recognised for inventory items where fair value is assessed to be lower than the carrying value.

Property, plant and equipment

Property, plant and equipment is recognised at the cost of acquisition and is capitalised and depreciated over the estimated useful economic life of the asset. 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, estimated future cash flows are discounted to present value.

Intangible assets

Intangible assets relate to technology and intellectual property rights from third parties which are used in the production. The rights have no expiration date, but are limited to a "single-product-use".

Intangible assets are recognised at the cost of acquisition and are capitalised and depreciated over the estimated useful economic life of the asset, which is based on the expected lifespan of the product.

Research and development costs

The company and the group have costs related to research and development of current products and development of new radar chips and new modules. Research and development costs are expensed as they incur according to accounting policy choice in the Norwegian Accounting Act § 5-6.

The company receives government grants related to research and development (Skattefunn). Skattefunn is recognised as a reduction of associated costs and subject to final approval by the tax authorities.

Pension costs

The group has a contribution pension plan for its employees. The company makes contributions for each employee's retirement account and pension will depend on the actual return on paid-in funds and the size of the deposits. The cost is included in payroll expenses.

Items in foreign currencies

The company's functional currency is NOK. Items in foreign currencies are recognised at the exchange rate at the balance sheet date. Transactions in the income statement are recorded at the relevant exchange rate at the time of the transaction

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 year end. Temporary differences both positive and negative, are balanced out within the same period. Deferred tax assets are recorded on the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

Statement of cash flows

The statement of cash flows is presented using the indirect method. Cash and cash equivalents include cash and bank deposits. Bank accounts holding rent deposits are classified as non-current other receivables.

Use of estimates

The preparation of the financial statements requires management to apply judgement about the future to determine the carrying amounts of some of the assets and liabilities and recognised items in the statement of profit or loss. Actual amounts in the future can differ from these estimates.

For the year ended 31 December 2023, the most significant areas where management has applied judgement relates to cost of share options and share-based payment for the year, write-down of inventory assessment and estimates of useful life of tangible and intangible assets.

Note 2 - Revenue

Parent company			Group	
2023	2022	<i>Geographical distribution:</i>	2023	2022
4 970 455	-	Germany	4 970 455	-
3 102 891	5 378 079	USA	3 102 891	5 378 079
2 252 697	2 987 622	UK	2 252 697	2 987 622
938 498	2 666 600	Hong Kong	938 498	2 666 600
819 620	3 128 653	South Korea	819 620	3 128 653
622 216	1 875 123	China	622 216	1 875 123
155 119	8 415	Norway	155 119	8 415
-	2 323 137	Romania	-	2 323 137
2 168 928	1 980 500	Other countries	2 168 928	1 980 500
15 030 424	20 348 130	Sum	15 030 424	20 348 130

Note 3 - Personnel expense, management and board of director's remuneration and auditor's fee

Parent company			Group	
2023	2022	<i>Payroll expenses</i>	2023	2022
84 752 210	74 045 328	Salaries	90 105 231	80 185 525
11 730 817	10 167 601	Payroll tax	11 901 215	10 292 498
1 429 125	3 287 122	Pension costs	1 441 152	3 554 685
4 232 349	3 883 936	Other benefits	5 061 809	4 115 621
102 144 501	91 383 986	Total	108 509 406	98 148 328

The average number of employees during the

2023	2022	<i>year:</i>	2023	2022
85	79		89	82

Parent company*Management remuneration*

	Salary	Pension costs	Other benefits
Chief Executive Officer	2 056 211	82 367	4 397

The Chief Executive Officer has a right to receive 6 months of salary upon termination of employment. No bonus compensation in cash has been paid to Chief Executive Officer or Chairman of the Board in 2023. The Company has no bonus contracts with management or the board of directors other than share option agreements.

The Chief Executive Officer has an option to buy 25 200 shares for NOK 600 each.

Board remuneration

Chairman of the Board has an option to buy 2 550 shares for NOK 600 each. The Company has no other options agreements with current board members.

During 2023 the Company put in place a new remuneration model for the board members for the 12 months starting 1 July 2023. Board members have the option to receive the agreed compensation in cash, in shares or in a combination of cash and shares.

In the absence of observable market prices, the fair value of the shares has been estimated using the subscription price from the last share issue as estimated share price. Volatility of the underlying shares have been estimated based on historical volatility for peers.

	2023	2022
Expense arising from equity-settled share-based payments transactions	203 363	656 075
Expense arising from cash-settled share-based payments transactions	135 259	229 500
Total expense arising from share-based payment transactions	<u>338 622</u>	<u>885 575</u>

Of the total expense has NOK 32 578 has been recognised as an accrued payroll tax on the balance sheet.

Parent company

Group

2023	2022	<i>Auditor fee has been divided as follows:</i>	2023	2022
313 741	455 200	Statutory audit fee	313 741	455 200
65 000	86 140	Other services	65 000	86 140

VAT is not included in the figures of auditor's fee.

Note 4 - Pensions

Parent company and Group

The parent company and other companies in the group, other than foreign subsidiaries, are obliged to have an occupational pension scheme in accordance with the Norwegian Act relating to mandatory occupational pensions.

The group has a defined contribution plan for all employees.

Note 7 - Intangible assets

	Licences, patents
Acquisition cost at 01.01.	12 287 558
Purchased intangibles	2 191 248
Acquisition cost 31.12.	14 478 806
Acc.depreciation 31.12.	7 172 627
Net carrying amount at 31.12.	7 306 179
Depreciation for the year	1 917 727
Impairment for the year	-
Amortization plan	Linear
Useful economic life	5/10 years

Note 8 - Tangible assets**Parent company and group**

	Fixtures and fittings, tools, office machinery	Equipment	Total
Acquisition cost at 01.01.	12 012 745	10 596 648	22 609 393
Purchased tangibles	150 902	8 298 615	8 449 518
Reclassifications	-	-	-
Acquisition cost 31.12.	12 163 647	18 895 263	31 058 910
Acc.depreciation 31.12.	7 357 416	6 549 691	13 907 107
Net carrying amount at 31.12.	4 806 231	12 345 572	17 151 803
Depreciation for the year	2 744 008	1 410 134	4 154 142
Impairment for the year	-	-	-
Amortization plan	Linear	Linear	
Useful economic life	10 years	3-10 years	

The company rents several office premises. Expensed rental costs for office premises in 2023 amounted to NOK 4 861 875 (NOK 4 507 237 for 2022).

Note 9 - Other operating expenses

Parent company			Group	
2023	2022	Other operating expenses:	2023	2022
18 844 403	12 821 598	Software consulting	18 844 403	12 821 598
14 399 574	9 958 299	Software licences	14 399 574	9 958 299
11 843 138	14 209 425	Selling and marketing	1 649 662	2 733 863
5 930 506	5 450 350	Office rental	6 647 053	6 328 623
5 414 937	3 007 786	Other external services	5 450 328	4 995 131
2 527 804	2 056 504	Travel	3 218 092	2 473 440
2 184 196	1 575 726	Patents	2 184 196	1 575 726
1 998 559	2 386 074	Office equipment	2 004 295	2 471 067
1 682 097	1 498 791	Audit and accounting	2 276 482	2 054 051
1 605 740	2 030 006	Legal	1 612 128	2 036 237
1 371 700	1 212 382	Memberships	1 371 700	1 212 382
794 830	1 559 961	Material and components	794 830	1 559 961
418 745	261 278	Insurance	418 745	281 844
440 534	2 055 198	Other	1 486 268	2 110 080
69 456 762	60 083 379	Total	62 357 755	52 612 303

Note 10 - Transactions with related parties

The Group has various transactions with related parties. All the transactions have been carried out as part of the ordinary operations. The most significant transactions are as follows:

Parent company			Group	
2023	2022	Purchase transactions:	2023	2022
4 862 455	3 726 712	Service fees - Novelda US Inc	-	-
5 892 130	8 020 499	Service fees - Novelda Japan KK	-	-
10 754 585	11 747 211	Total	-	-
Interest income:				
3 381	26 855	Revolving promissory note - Novelda US Inc	-	-
3 381	23 221	Total	-	-

Operating expense:

		Office rental and rental related expenses -		
209 776	242 533	Wisland Wear AS	209 776	242 533
36 388	71 094	Other services - Wisland Wear AS	36 388	71 094
246 164	313 627	Total	246 164	313 627

Receivables:

-	841 040	Other receivables	-	-
-	556 653	Total	-	-

Liabilities:

1 290 012	507 061	Accounts payable	-	-
1 290 012	2 023 590	Total	-	-

Note 11 - Financial items**Parent company**

2023	2022	<i>Financial income:</i>
1 218 069	1 953 336	Agio
6 468 616	4 676 086	Interest income
0	-61	Other financial income
3 381	-	Interest from intercompany
7 690 065	6 629 360	Total

Group

2023	2022
1 218 069	1 967 576
6 468 626	4 676 098
13 213	232
-	-
7 699 909	6 643 906

Financial expenses:

2 013 418	2 155 749	Disagio	2 013 418	2 181 287
706 488	31 729	Interest expense	706 488	18 005
38	73 920	Other financial expenses	28 339	299
2 719 943	2 261 398	Total	2 748 244	2 199 592

Note 12 - Income taxes

Parent company			Group	
2023	2022		2023	2022
		Income tax expense:		
-	-	Tax payable Norway	-	-
-	-	Tax payable foreign countries	369 353	-4 981
-	-	Change in deferred tax	-	-
-	-	Total income tax expense	369 353	-4 981
		Tax base estimation:		
2023	2022		2023	2022
-166 006 536	-143 251 219	Ordinary result before tax	-165 290 889	-142 569 318
-1 084 149	-1 701 403	Permanent differences	-1 084 149	-1 701 403
-5 984 716	5 144 464	Change in temporary differences	-5 984 716	5 144 464
-173 075 401	-139 808 158	Total	-172 359 754	-139 126 257
-173 075 401	-139 808 158	Tax base	-172 359 754	-139 126 257
		Payable tax in the balance:		
2023	2022		2023	2022
-	-	Payable tax on this year's result	-	-
-	-	Owing assessed tax from previous year	-	-
-	-	Total	-	-
		Temporary differences outlined:		
2023	2022		2023	2022
346 630	-365 766	Tangible assets	346 630	-365 766
-	-3 374 038	Inventories	-	-3 374 038
-664 934	-2 563 217	Other accounting provisions	-664 934	-2 563 217
-318 304	-6 303 021	Total	-318 304	-6 303 021
-829 249 780	-656 174 379	Accumulated loss carryforward	-825 799 517	-653 439 763
829 568 084	662 477 400	Not recognised on the balance sheet	826 117 821	659 742 784
-	-	Net temporary differences pr. 31.12.	-	-
-	-	Deferred tax asset/liability (22%)	-	-
		Effective tax rate:		
2023	2022		2023	2022
-	-	22 % expected income taxes	369 353	-4 981
-	-	22 % tax on permanent differences	-	-
-	-	Tax effect of change in tax rate	-	-
-	-	Correction of tax payable from prior period	-	-
-	-	Income tax expense	369 353	-4 981
0 %		<i>Effective tax rate (tax expense in relation to profit before tax)</i>	0 %	

Note 13 - Investment in subsidiaries**Parent company**

Company name	Office	Ownership & voting rights	Net Income 31.12.	Equity 31.12.	Book value 31.12.
Novelda US Inc	California	100 %	145 353	2 462 536	833 832
Novelda Japan KK	Yokohama	100 %	199 945	1 986 144	1 557 260
Total					2 391 092

Note 14 - Inventories

Parent company			Group	
2023	2022		2023	2022
400 181	862 531	Raw materials	400 181	862 531
5 421 879	4 634 938	Finished goods	5 421 879	4 634 938
7 170 342	9 012 217	Unfinished goods	7 170 342	9 012 217
-	-862 531	Impaired goods	-	-862 531
12 992 402	13 647 155	Total	12 992 402	13 647 155

Note 15 - Other receivables

Parent company			Group	
2023	2022	<i>Other short-term receivables:</i>	2023	2022
5 148 450	13 274 699	Prepaid expenses	5 258 989	13 755 458
4 750 000	4 750 000	Government grant	4 750 000	4 750 000
-	841 040	Receivable from subsidiary	-	-
864 869	841 068	VAT receivables	864 869	841 068
-317 974	71 179	Other receivables	-191 903	475 102
10 445 345	19 777 986	Total	10 681 955	19 821 628

Note 16 - Bank deposit

Parent company			Group	
2023	2022		2023	2022
8 469 672	3 471 805	Employees tax deduction, deposited in a separate bank account	8 469 672	3 471 805

Note 17 - Owners equity

Parent company	Share-capital	Share premium reserve	Other paid-in capital	Total equity
Owners equity 01.01.	1 861 245	282 130 724	5 842 367	289 834 336
Share issue in 2023	665	-	197 679	198 344
Non-registered share issue	-	-	-	-
Share-based payments costs	-	-	3 297 235	3 297 235
Result of the year	-	-166 006 536	-	-166 006 536
Other	-	-	-	-
Owners equity 31.12.	1 861 910	116 124 188	9 337 281	127 323 379

Group	Share-capital	Share premium reserve	Other paid-in capital	Total equity
Owners equity 01.01.	1 861 245	283 844 250	5 842 367	291 547 862
Share issue in 2023	665	-	197 679	198 344
Non-registered share issue	-	-	-	-
Share-based payments costs	-	-	3 297 235	3 297 235
Translation differences	-	-208 294	-	-208 294
Profit for the year	-	-165 660 242	-	-165 660 242
Owners equity 31.12.	1 861 910	117 975 714	9 337 281	129 174 905

Note 18 - Share capital and shareholder information**Parent company**

Share capital:

	Number of shares	Par value	Capitalised
Ordinary shares	1 861 910	1,00	1 861 910

All shares carry the same rights in the company.

Shareholders per 31.12:

	Ordinary shares	Ownership share	Voting rights
INVESTINOR DIREKTE AS	377 576	20,3%	20,3%
VATNE EQUITY AS	182 193	9,8%	9,8%
FOLKETRYGDFONDET	121 212	6,5%	6,5%
ALLIANCE VENTURE POLARIS AS	84 496	4,5%	4,5%
INVESTINOR INDIREKTE I AS	81 507	4,4%	4,4%
Skandinaviska Enskilda Banken AB	67 656	3,6%	3,6%
KVANTIA AS	66 699	3,6%	3,6%
VERDIPAPIRFONDET ALFRED BERG GAMBA	64 603	3,5%	3,5%
CHRISTIANIA SKIBS AS	47 917	2,6%	2,6%
Danske Invest Norge Vekst	45 121	2,4%	2,4%
WISLAND WEAR AS	37 462	2,0%	2,0%
SKØIEN AS	37 220	2,0%	2,0%
FYRVA AS	36 084	1,9%	1,9%
DOUGHTY AS	35 816	1,9%	1,9%
VERDIPAPIRFONDET STOREBRAND VEKST	24 793	1,3%	1,3%
HORTULAN AS	24 242	1,3%	1,3%
LIONESS AS	23 000	1,2%	1,2%
VERDIPAPIRFONDET ALFRED BERG AKTIV	22 187	1,2%	1,2%
NYGON AS	21 686	1,2%	1,2%
SKILLING SYSTEMER AS	20 334	1,1%	1,1%
Others (interest < 1 %)	440 106	23,6%	23,6%
Total	1 861 910	100,0%	100,0%

No shares are owned by Directors of the Board or the Chief Executive Officer as of 31 December 2023.

Note 19 - Other short-term liabilities

Parent company			Group	
2023	2022	<i>Other short-term liabilities:</i>	2023	2022
7 925 045	7 544 098	Accrued holiday pay	7 925 045	7 544 098
-	2 561 771	Deferred revenue	-	2 561 771
-	836 709	Provisions	-	836 709
1 589 202	2 563 217	Accrued expenses	1 731 113	2 591 310
321 644	868 403	Other short-term liabilities	321 644	868 403
9 835 891	14 374 198	Total	9 977 802	14 402 291

Note 20 - Going concerns

It is the opinion of the board of directors and chief executive officer that the annual accounts provide a fair and correct overview of the development, risks and result of the company's operations and its financial position as of 31 December 2023. The Board of Directors and chief executive officer confirms that the 2023 annual accounts are prepared in accordance with the going concern assumption and has taken this into account when preparing the accounts.

Novelda AS is a development company that is in the commercialization phase with limited revenues and with its main source of liquidity is cash generated from financing, equity and debt.

The Company is in a process of securing its short- and long-term financing. This includes short-term liquidity through a convertible loan (secured), ongoing strategic discussions with several industrial players, and potentially a capital raise later in 2024.

The board of directors and management reviews on a regular basis cash-flow forecast to evaluate whether the company will be able to cover the liquidity needs for the next 12-month period. Given the current cash flow projections and the potential strategic initiatives under consideration, we are cautiously optimistic about our ability to continue as a going concern. However, it is important to acknowledge the risks and uncertainties associated with these plans. Until financing is secured, there will always be an inherent risk that adequate sources of funds may not be available, or available at acceptable terms and conditions needed, and as such, there is a considerable risk to the going concern if the company is not successful in obtaining required liquidity. Risk of delays in forecasted revenues compared to original budget could also cause the company's liquidity risk to increase further.

The Board of Directors is committed in taking all necessary steps to secure the liquidity runway and financial health of the company. We will keep our stakeholders informed of our progress and any significant developments. The Board of Directors and management team are working diligently to evaluate and execute the best possible strategy to ensure the long-term viability and success of the company.

The board and management emphasize that there is a considerable risk associated with the company's ability to going concern following the uncertainty related to liquidity and securing necessary funding.











Annual Report 2023 Novelda AS

Final Audit Report

2024-07-16


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Skatteetaten

Vår dato
18.11.2019

Din/Deres dato
14.10.2019

Saksbehandler
Lars Waaltorp

800 80 000
Skatteetaten.no

Din/Deres referanse
AR339775906

Telefon
32212244

Org.nr
974761076

Vår referanse
2019/6604896

Postadresse
Postboks 9200 Grønland
0134 OSLO

NOVELDA AS
Garverivegen 2
3850 KVITeseid

Att. Henrik Rosenlund

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Novelda AS, org.nr. 987 361 719

Vi viser til deres brev av 14. oktober 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Novelda AS.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Novelda AS 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

Novelda AS er hovedsakelig eid av profesjonelle investorer samt ansatte i selskapet, hvorav flere er utenlandske. Selskapet driver virksomhet i et internasjonalt teknologimarked hvor kundene i all hovedsak er utenlandske (Europa, USA og Asia). Ett av styremedlemmene er utenlandsk.

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 hovedsakelig er eid av institusjonelle eiere og ansatte. 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

Lars Waalorp
seniorrådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.