# Telenor A/S

Frederikskaj 8, DK-2450 Copenhagen SV, Denmark
CVR no. 19 43 36 92

## Annual Report

for the period 1 January – 31 December 2023
28th financial year

*Adopted by the Company's Annual General Meeting*
*on 27 June 2024*

*………………………………*
*chairman*

**CONTENTS**

## STATEMENT BY THE BOARD OF DIRECTORS AND EXECUTIVE BOARD

The Board of Directors and the Executive Board have today discussed and approved the annual report for Telenor A/S for the period 1 January – 31 December 2023.

The annual report is presented in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act. We consider the accounting policies applied appropriate, so that the annual report gives a true and fair view of the company's assets and liabilities, its financial position as of 31 December 2023 and the results of the company's activities and cash flows for the financial year 1 January – 31 December 2023.

In our opinion, the management's review gives a true and fair account of the matters addressed in the review.

We recommend that the annual report be adopted by the General Meeting.

Copenhagen, 27 June 2024

Executive Board:

……………………..…...……
Lars Thomsen

Board of Directors:

| | | |
|---|---|---|
| ……………………..…...…… | ……………………………. | ……………………………..… |
| Jon Omund Revhaug<br>Chairman | John Sebastian Schmidt<br>Slørdahl | Mette Eistrøm Krüger |
| ……………………..……...… | ……………………..……...… | |
| Nikolai Nørnberg Nielsen<br>Employee representative | Natalia Bates Laursen<br>Employee representative | |

## INDEPENDENT AUDITORS' REPORT

### To the shareholders of Telenor A/S

### Opinion

We have audited the financial statements of Telenor A/S for the financial year 1 January – 31 December 2023, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information. The financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2023 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

## INDEPENDENT AUDITORS' REPORT

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## INDEPENDENT AUDITORS' REPORT

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's 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 in preparing the financial statements 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 contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.

Copenhagen, 27 June 2024

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

| | |
|---|---|
| Søren Skov Larsen | Allan Nørgaard |
| State Authorised Public Accountant | State Authorised Public Accountant |
| mne26797 | mne35501 |

## Company information

Telenor A/S
Frederikskaj 8
DK-2450 Copenhagen SV
Denmark

Municipality: Copenhagen

**Board of Directors**

Jon Omund Revhaug, Chairman
John Sebastian Schmidt Slørdahl
Mette Eistrøm Krüger
Nikolai Nørnberg Nielsen, Employee representative
Natalia Bates Laursen, Employee representative

**Executive Board**

Lars Thomsen

**Parent**

Telenor Danmark Holding A/S
Frederikskaj 8
DK-2450 Copenhagen SV
Denmark
CVR. no. 14 72 43 46

**Audit**

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
DK-2000 Frederiksberg
Denmark

## Financial highlights

The Company's developments over the past five years can be described as follows:

| | | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|---|
| **INCOME STATEMENT** | | | | | | |
| Revenue | mDKK | 4,064 | 4,013 | 3,914 | 3,690 | 3,775 |
| Operating profit before depreciation amortisation and impairment (EBITDA) | mDKK | 1,102 | 968 | 998 | 869 | 817 |
| Operating profit (EBIT) | mDKK | 460 | 291 | 312 | 199 | 110 |
| Financial income and expenses | mDKK | -80 | -27 | 28 | 447 | 967 |
| Profit/loss before tax | mDKK | 384 | 264 | 340 | 646 | 1,077 |
| Net income for the year | mDKK | 304 | 209 | 214 | 606 | 818 |
| **BALANCE SHEET** | | | | | | |
| Balance sheet total | mDKK | 5,426 | 5,518 | 6,131 | 9,312 | 9,354 |
| Intangible assets | mDKK | 207 | 182 | 185 | 200 | 240 |
| Right-of-use assets | mDKK | 1,323 | 1,384 | 1,274 | 1,151 | 1,160 |
| Tangible assets | mDKK | 1,702 | 1,630 | 1,524 | 1,485 | 1,541 |
| Equity | mDKK | 1,851 | 1,801 | 2,586 | 5,967 | 5,361 |
| **KEY FIGURES AND RATIOS** | | | | | | |
| EBITDA in percentage of revenue | | 27 % | 24 % | 25 % | 24 % | 22 % |
| Non-current asset investments | mDKK | 569 | 616 | 457 | 388 | 335 |
| Solvency ratio | | 34 % | 33 % | 42 % | 64 % | 57 % |
| Average number of employees | | 960 | 1,002 | 1,090 | 1,226 | 1,318 |

See note 2 for definitions of key figures and ratios.

## MANAGEMENT'S REVIEW, CONTINUED

### Introduction

Telenor A/S is the second largest telecommunications company in Denmark. We are a leading provider of telecommunication and digital services and serve consumers as well as business and wholesale customers. Offerings include mobile subscriptions and handsets, telephony, broadband, data security, communications and wholesale services.

We put innovation at the heart of everything we do, whether we are enabling our customers to connect with family and friends or working to provide secure solutions for businesses in the public and private sector. We are passionate about sustainability and believe in social, environmental and economic value creation.

Through the Telenor main-brand and CBB mobile sub-brand, Telenor A/S serves 1.690.000 mobile and 117.000 fixed subscribers with combination of connectivity and value-added services centred around security.

Telenor operates a shared network with Telia (TT Netværket P/S).

## MANAGEMENT'S REVIEW, CONTINUED

### Highlights of the year

Telenor continued to execute on the strategy, focusing on further development of our market position while modernising our network and technology and building a lean challenger operating model. We have focused on launching products to meet customer demand while ensuring hassle-free customer journeys.

In 2023 we have experienced growth in the core business, an increasing demand for our 5G internet solutions and, not least, continued high interest in our security and safety services.

Providing additional services on top of telecommunications services is a priority for Telenor and several security services have been launched which have been received well by the customers. SikkerSurf and SafeZone were launched in 2023 providing customers with enhanced protection against phishing, malware and ransomware and stops up to 98 per cent of unwanted events. These products adds to a portfolio that also include NetSikker, a cyberbullying insurance and Mobile Device Management with which companies can protect, block and delete data on employees' mobiles.

Telenor has focused on improving customer experience and 2023 saw strong results from the efforts within customer satisfaction as proven by surveys in which Telenor brands were ranked as top performers. According to a survey in the fall of 2023, EPSI rating, Telenor scored the highest amongst premium brands in the Danish mobile market and CBB was the top performer in the online mobile market.

Investments remained substantial in 2023. Modernising the mobile networks, including 5G rollout, was the main driver and 5G population coverage in Denmark is by end of 2023 more than 90%. The 5G rollout has enabled our FWA acceleration in the market. Decommission of legacy technologies is integrated into Telenor's modernisation strategy and in 2023 we completed the sunset of 3G in Denmark.

In May 2023 Telenor acquired OK Mobil's customer base and all customers were merged to CBB.

**Financial performance**

Telenor delivered positive development and strong financial performance in 2023, despite the challenges posed by the macro and geopolitical situation and competitive pressures in the market.

- Growth in revenue. Revenue is slightly higher than last year, mainly driven by growth in the subscriber base and increased ARPU (Average Revenue Per User) from value added services and pricing initiatives. Service revenue in 2022 was negatively impacted by the outcome of the dispute with Økonomistyrelsen (the Ministry of Finance), taking that into account service revenue increased by 3% in 2023.
- Growth in subscriber base. The number of Telenor mobile customers was 1.690 million at the end of 2023 compared to 1.646 million at the end of 2022. Broadband customers in Telenor totalled 117,000 at the end of 2023 against 116,000 the previous year. The development in broadband customers covers a decrease in customers on old DSL connections and at the same time an increase in customers on newer and faster technologies, i.e. fibre, coax and 5G internet solution.
- Growth in EBITDA (Earnings measured before interest, tax, depreciation, and amortisation). EBITDA increased to 1,102 million in 2023, corresponding to an EBITDA margin on 27%. The increase was mainly driven by growth in the core business, interest in Telenor's 5G internet and security services, lower electricity cost and efficiency measures.
- The profit for the year before tax was 380 mDKK against 264 mDKK last year.
- Telenor’s investments totalled 689 mDKK, where of 175 mDKK is investments in right of use assets (2022: 892/332 mDKK) and was prioritised towards network and IT investments.
- Telenor had 960 employees on average in 2023 against 1,002 in 2022.

**Material issues during the reporting period**

No material issues have occurred during the reporting period.

### The year's performance measured against expectations

Total revenue increased 1,3% compared to 2022, which is in line with last year's expectations of a single digit increase.
EBITDA increased 13,8%, which is above expectations of a single digit increase, specifically impacted by lower than expected electricity prices.

### Dividends

The Board of Directors recommends that the general meeting adopts a resolution to distribute dividends of 650 mDKK equal to 1,074 DKK per share. In 2023 an extraordinary dividend of 260 mDKK equal to 430 DKK per share was decided and distributed.

### Capital structure

Telenor in Denmark is part of the Telenor Group cash pool arrangements, which is handled by Group Treasury in Telenor ASA.

### Future outlook

In 2024 Telenor expects to deliver profitable growth, with low single-digit growth in service revenue and EBITDA.

### Post balance sheet events

No significant events have occurred after the balance sheet date which would affect the evaluation of this annual report.

## ESG report

Environmental, Social and Governance, or ESG, is an integral part of Telenor's way of doing business, both in Denmark and internationally. We contribute to social, environmental and financial sustainability through a variety of initiatives. At Telenor we are driven by a powerful vision: To empower societies. Sustainability is therefore at the heart of our corporate culture, governance and business strategy, and a responsible business conduct has always played a big role in our operations.

Telenor's vision, goals, policies and efforts in the ESG area are reported in Telenor Group's Annual report for 2023 where the Group's sustainability report is included on page 40, which constitutes Telenor A/S' statutory statement according to §99a.

Link to Telenor Group's Annual report for 2023:

https://www.telenor.com/binaries/investors/reports-and-information/annual/annual-report-2023/Annual%20Report%202023-English.pdf#page=40

Telenor's ESG efforts rely on internationally acknowledged standards and clearly formulated policies in areas such as environmental management, climate impacts, responsible supplier management, corporate ethics and employee concerns. As part of the Telenor Group, we have adopted the UN Global Compact.

In Denmark, we furthermore engage in local projects related to ESG, ranging from eco friendly recycled sim cards and power saving initiatives in our network and facilities, to training people in valuable digital skills. Our digital skills program #digitalpænt teaches children in 4th to 6th grade to prevent and handle digital bullying and other negative online experiences, together with their teachers. In 2023 just over 10 000 children completed the training. We have also engaged in free digital skills training for small and medium sized businesses, aimed at boosting their cybersecurity. In a joint initiative with our supplier Cisco, we trained hundreds through a webinar and an e-book format. A safe digital experience – for everyone – is a top concern for Telenor Denmark.

## Report on gender composition in management

In Telenor A/S, we work for equality and against all discrimination based on gender, pregnancy, parental or adoption leave, care responsibilities, ethnicity, religion, beliefs, disability, sexual orientation, gender identity, gender expression and any combinations of these.

Telenor A/S has an ambition of having "the right employee in the right position" and of everyone having equal opportunities to put their skills to use, regardless of gender. Telenor A/S aims for a balanced gender mix in all parts of the organisation. We evaluate the gender composition of the Board of Directors, at all management levels and in employee groups with a view to ensuring a balanced composition.

Board of Directors

The Board of Directors in 2023 (members elected by the general assembly) consist of 2 men (67%) and 1 woman (33%). In 2022 the Board included 4 members (25% female and 75% male members). The target continues to be a balanced composition of male and female members, as there is an equal gender distribution in the Board of Directors according to The Danish Business Authority.

| Telenor Denmark Board of Directors | | | | | |
|---|---|---|---|---|---|
| | # of members | # of female managers | % of female managers | Target % | Year of achivement of target |
| **2020** | 4 | 1 | 25% | 50% | 2025 |
| **2021** | 4 | 1 | 25% | 50% | 2025 |
| **2022** | 4 | 1 | 25% | 50% | 2025 |
| **2023** | 3 | 1 | 33% | 50% | 2025 |

Figure 1: Distribution of female managers in the Board of Directors from 2020-2023.

## Report on gender composition in management, continued

Senior Management

The total number of senior managers in 2023 is 27, where 8 of these are women. That gives a percentage of senior women of 30%. For the last 4 years there has been an increase in the percentage of female managers from 12% to 30% in 2023 (see figure 2).

| Telenor Denmark Senior Management | | | | | |
|---|---|---|---|---|---|
| | # of managers | # of female managers | % of female managers | Target % | Year of achivement of target |
| **2020** | 33 | 4 | 12% | 35% | 2025 |
| **2021** | 26 | 5 | 19% | 35% | 2025 |
| **2022** | 26 | 6 | 23% | 35% | 2025 |
| **2023** | 27 | 8 | 30% | 35% | 2025 |

Figure 2: Distribution of female managers in senior management (CEO, CxO and CxO-1) from 2020-2023.

The ambition towards 2025 is to have 35% female senior managers. We have not yet reached the ambition for 2025, and still need more women in senior management, because we only saw minor changes to the management positions in 2023. For 2023 specifically Telenor A/S has taken several steps to initiate various initiatives and learning programs and measure psychological safety and inclusion via employee surveys. To achieve the ambition Telenor will continue working on building an inclusive culture, implementing bias-free recruitment practices, offering leadership development and mentorship programs, ensuring transparency and accountability in our diversity efforts, and promoting work-life balance initiatives to support women's career progression.

## Knowledge resources

The company's tasks call for significant expertise in the operation and development of mobile networks and customer offerings. For this reason, it is essential for the company to be able to retain and recruit employees with the required educational background. The company is of the belief that the current internal and external circumstances facilitate recruitment as well as retention of employees with the appropriate competences.

## External environmental impact

In isolated terms, the company is not engaged in activities that materially impact the external environment.

Through its ownership of the joint operation in TT-Netværket P/S, activities are conducted which affect the external environment. This includes more than 4300 antenna locations which have been established in accordance with applicable rules and building permits, ensuring that the impact on the external environment is limited and complies with laws and guidelines. In addition, great efforts are, and will continue to be, invested in reducing the considerable power consumption associated with the antenna locations. We have committed to being carbon neutral in 2030. Our emissions are reported on separately, in the Climate and Environment section.

## Climate and environment

Telenor A/S, as part of Telenor Group, is committed to take responsibility and contribute to the green transition. Telenor has committed to the Science Based Targets initiative (SBTi) and announced climate goals to have carbon neutral operations in the Nordics by 2030. Telenor has committed to standardised measures to document how to reach direct emissions- and energy usage targets (Scope 1 and 2) as well as indirect emissions (Scope 3). In 2021, The Science Based Targets Initiative (SBTi) approved Telenor's GHG emission reduction targets. The approval confirms that Telenor's climate targets are in line with what climate science deems necessary to meet the Paris Climate Agreement target of limiting global warming to 1.5°C above pre-industrial levels.

As of the end of 2023, our scope 1 and 2 emissions had increased by 24 % compared to 2019, which is the base year for our climate targets, and by 5179% compared to the previous year, 2022. The large increase between 2022 and 2023 is caused by the fact that we chose to invest in Guarantees of Origin to cover part of our emissions in 2022, whereas in 2023 we did not. Our emissions have a general rising trend due largely to increased activity on our network.

We are committed to our emissions reductions target of a 95% reduction in scopes 1 and 2 GHG emissions by 2030 and are therefore continuing to explore ways to mitigate and reduce our emissions. Initiatives are underway that will reverse the current trend, but their effects are not yet felt. In order to address our scope 2 GHG emissions sustainably we have entered into a long-term Power Purchase Agreement (PPA) with Better Energy. The PPA was signed in 2022 and will add large amounts of renewable energy to the Danish energy grid once it comes into effect. The PPA is based on a solar energy plant, which will be operational by the end of the year in 2024, and cover on average 75% of the energy consumption in our network in the contract period.

**Statement of data ethics policy**

The use of data for fact-based decisions is a prerequisite for being able to deliver attractive products to customers. Data thus has great business value for Telenor and is managed carefully in relation to its confidentiality, integrity and availability.

Telenor's goal for data ethical behavior is always to have a responsible and proper use of data and to create transparency in data collection and data management. Our data ethical behavior must make a positive contribution to customers' security on the basis that data entrusted to us by customers is processed in a secure manner and within the applicable legal framework.

On this basis and to highlight Telenor’s values and reinforce our commitments, Telenor has articulated a set of research-backed guiding principles for Telenor. The principles are in line with the Data Ethics Compass from the Data Ethics Council:

- Human Values, Fundamental Rights and Privacy
- Fairness and Non-Discrimination
- Data Governance
- Safety and Security
- Transparency and Explainability
- Human Oversight and Control

Telenor has implemented a governance setup to ensure that these six principles form the basis for Telenor’s use of AI going forward and hence that these principles are considered in all assessments of specific AI use cases. By embedding these principles for “Responsible AI” into our operations, Telenor aims to safeguard the interests of our customers, employees, and the broader community.

**Risk factors**

Telenor A/S’s ultimate parent, Telenor ASA, is responsible for and performs the Group’s financing and liquidity, currency and interest management centrally on behalf of the group entities.

As far as possible, the group attempts to counter and manage any risks that the Group can influence through own actions. Telenor ASA’s treasury function is responsible for funding, foreign exchange risk, interest rate risk, credit risk and liquidity management for the Telenor Group companies owned more than 90 % directly or indirectly, Telenor A/S included.

## INCOME STATEMENT
## 1 January - 31 December

| | Note | 2023 mDKK | 2022 mDKK |
|---|---|---|---|
| Revenue | 4 | 4,064 | 4,013 |
| Transmission costs and cost of sales | | -1,698 | -1,781 |
| Staff expenses | 5 | -540 | -533 |
| Other external costs | | -703 | -719 |
| Other operating expenses’ | 6 | -21 | -13 |
| **Operating profit before depreciation, amortisation and impairment (EBITDA)** | | **1,102** | **968** |
| Depreciation, amortisation and impairment losses | 7 | -642 | -677 |
| **Operating profit (EBIT)** | | **460** | **291** |
| Reversal of impairment losses from shares in subsidiaries | 14 | 4 | 0 |
| Financial income | 8 | 56 | 46 |
| Financial expenses | 9 | -136 | -73 |
| **Profit/loss before tax** | | **384** | **264** |
| Tax on the income for the year | 10 | -80 | -55 |
| **NET INCOME FOR THE YEAR** | | **304** | **209** |

## STATEMENT OF COMPREHENSIVE INCOME
## 1 January - 31 December

| | Note | 2023 mDKK | 2022 mDKK |
|---|---|---|---|
| Net income for the year | | 304 | 209 |
| Other comprehensive income | | 6 | 6 |
| **Total comprehensive income** | | **310** | **215** |

**Proposed distribution of net profit:**

| | | 2023 | 2022 |
|---|---|---|---|
| Proposed dividend | | 650 | 0 |
| Retained earnings | | -346 | 209 |
| | | **304** | **209** |

## BALANCE SHEET
## 31 December

| ASSETS | Note | 2023<br>mDKK | 2022<br>mDKK |
|---|---|---|---|
| Customer base | 11 | 21 | 0 |
| Software | 11 | 128 | 146 |
| Software in progress | 11 | 58 | 36 |
| **Intangible assets** | | **207** | **182** |
| Land and buildings | 12 | 232 | 257 |
| Plant and machinery | 12 | 362 | 336 |
| Other fixtures and fittings, tools and equipment | 12 | 7 | 5 |
| License fees and rights | 12 | 722 | 786 |
| **Right-of-use assets** | | **1,323** | **1,384** |
| Land and buildings | 13 | 163 | 159 |
| Plant and machinery | 13 | 1,301 | 1,196 |
| Other fixtures and fittings, tools and equipment | 13 | 114 | 138 |
| Tangible assets in progress | 13 | 124 | 137 |
| **Tangible assets** | | **1,702** | **1,630** |
| Investments in subsidiaries | 14 | 133 | 129 |
| Deposits | | 24 | 26 |
| Contract acquisition costs | 15 | 150 | 137 |
| Deferred tax assets | 19 | 56 | 122 |
| **Financial assets and other non- current assets** | | **363** | **414** |
| **NON-CURRENT ASSETS** | | **3,595** | **3,610** |
| **Inventories** | 16 | **86** | **112** |
| Trade receivables | 17 | 1,103 | 1,128 |
| Receivables from group entities | | 437 | 462 |
| Other receivables | | 15 | 15 |
| Pre-paid costs | | 129 | 152 |
| **Receivables** | | **1,684** | **1,757** |
| **Cash and cash equivalents** | 28 | **61** | **39** |
| **CURRENT ASSETS** | | **1,831** | **1,908** |
| **TOTAL ASSETS** | | **5,426** | **5,518** |

**BALANCE SHEET**
**31 December**

| | Note | 2023 mDKK | 2022 mDKK |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| Share capital | 18 | 605 | 605 |
| Reserve for development costs capitalized | | 140 | 117 |
| Retained earnings | | 456 | 1,079 |
| Proposed dividend distribution | | 650 | 0 |
| **EQUITY** | | **1,851** | **1,801** |
| Lease liabilities | | 350 | 328 |
| Payables to group entities | 22 | 1,464 | 1,398 |
| Provisions | 20 | 133 | 165 |
| Deposits | | 8 | 8 |
| Other interest-bearing liabilities | 25 | 466 | 532 |
| **Non-current liabilities** | | **2,421** | **2,431** |
| Lease liabilities | | 147 | 153 |
| Current maturities of other interest-bearing liabilities | 25 | 72 | 35 |
| Current maturities of provisions | 20 | 10 | 9 |
| Prepayments received from customers | | 105 | 104 |
| Trade payables | 21 | 700 | 708 |
| Payables to group entities | 22 | 22 | 147 |
| Other payables | 23 | 98 | 130 |
| **Current liabilities** | | **1,154** | **1,286** |
| **LIABILITIES** | | **3,575** | **3,717** |
| **TOTAL EQUITY AND LIABILITIES** | | **5,426** | **5,518** |

## STATEMENT OF CHANGES IN EQUITY

| | Share capital mDKK | Retained earnings mDKK | Reserve for development costs capitalised mDKK | Dividends distributed mDKK | Total mDKK |
|---|---|---|---|---|---|
| **Equity at 01.01.2022** | **605** | **853** | **128** | **1,000** | **2,586** |
| Net income for the year | 0 | 209 | 0 | 0 | 209 |
| Reserve for development costs capitalized | 0 | 11 | -11 | 0 | 0 |
| Dividends distributed | 0 | 0 | 0 | -1,000 | -1,000 |
| Dividends proposed | 0 | 0 | 0 | 0 | 0 |
| Other comprehensive income | 0 | 6 | 0 | 0 | 6 |
| **Comprehensive income for the year** | **0** | **226** | **-11** | **-1,000** | **-785** |
| **Equity at 31.12.2022** | **605** | **1,079** | **117** | **0** | **1,801** |
| **Equity at 01.01.2023** | **605** | **1,079** | **117** | **0** | **1,801** |
| Net income for the year | 0 | 304 | 0 | 0 | 304 |
| Reserve for development costs capitalized | 0 | -23 | 23 | 0 | 0 |
| Extraordinary dividends in the year | 0 | -260 | 0 | 260 | 0 |
| Extraordinary dividends distributed | 0 | 0 | 0 | -260 | -260 |
| Dividends proposed | 0 | -650 | 0 | 650 | 0 |
| Other comprehensive income | 0 | 6 | 0 | 0 | 6 |
| **Comprehensive income for the year** | **0** | **-623** | **23** | **650** | **50** |
| **Equity at 31.12.2023** | **605** | **456** | **140** | **650** | **1,851** |

## CASH FLOW STATEMENT

| | Note | 2023 mDKK | 2022 mDKK |
|---|---|---|---|
| Profit/loss before tax | | 384 | 264 |
| Reversal of depreciation, amortisation and impairment losses | | 642 | 677 |
| Reversal of impairment on subsidiaries | | -4 | 0 |
| Reversal dividend income | | 0 | 0 |
| Reversal of interest income and interest expenses | | 93 | 33 |
| Reversal of profit/loss on sale of non-current assets | | 5 | -3 |
| Net interests paid/received | | -15 | 8 |
| Other non-cash items | | 4 | 7 |
| Working capital changes | 27 | 11 | 53 |
| Tax paid | | -14 | -20 |
| **Operating cash flows** | | **1,106** | **1,019** |
| Repayments on non-current receivables | | 0 | 751 |
| Purchase, etc. of tangible and intangible assets | | -569 | -616 |
| Sale of tangible and intangible assets | | 1 | 0 |
| Dividend received | | 0 | 0 |
| Disposals and other investing cash flows | | 0 | 0 |
| **Investment cash flows** | | **-568** | **135** |
| Proceeds from borrowings | | 0 | 2 |
| Repayment of non-current payables to group entities | | 0 | 0 |
| Dividend paid | | -260 | -1,000 |
| Increase/decrease of loans to group entities | | -79 | 17 |
| Ordinary repayments of leases and license spectrum | | -177 | -176 |
| **Financing cash flows** | | **-516** | **-1,155** |
| **Change in cash and cash equivalents** | | **22** | **-1** |
| Cash at 01.01. | | 39 | 40 |
| **Cash at 31.12.** | 28 | **61** | **39** |

**NOTES**

## NOTES

### Note 1. Summary of significant accounting policies

The 2023 annual report for Telenor A/S is presented in accordance with the IFRS Accounting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports for reporting class C (large), subject to the IFRS Executive Order issued in pursuance of the Danish Financial Statements Act.

The accounting policies is unchanged compared to prior year.

The Company expects to adopt the new accounting standards and interpretations when they become mandatory according to the effective dates adopted by the EU.

As at the annual report date, all operative standards and interpretations have been implemented. In 2023 amendments to IAS 1, 8 and 12 have been adopted with effect from 1 January 2023. None of the amendments implemented has had a significant impact on the financial statements. Telenor has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Pursuant to section 112(1) of the Danish Financial Statements Act, the company has not prepared consolidated financial statements. The financial statements of Telenor A/S' and its subsidiaries are included in the consolidated financial statements of Telenor ASA, Norway.

The annual report is presented in Danish kroner (mDKK).

### Recognition and measurement

Assets are recognised in the balance sheet when a previous event renders it probable that future economic benefits will flow to the company and the value of the asset can be measured reliably. Liabilities are recognised in the balance sheet when the company, as a consequence of a prior event, has a legal or constructive liability which renders it probable that future economic benefits will flow from the company and the value of the liability can be measured reliably. Assets and liabilities are measured at cost on initial recognition, except financial assets and liabilities which are initially recognised at fair value. Subsequently, assets and liabilities are measured as described for each individual item below.

The recognition and measurement include gains, losses and risks occurring before the presentation of the annual report that confirm or rebut circumstances in existence at the balance sheet date.

Income is recognised in the income statement as and when earned. Costs incurred to achieve the year's earnings are recognised in the income statement. Value adjustments of financial assets and financial liabilities are recognised in the income statement.

**N O T E S**

**Joint operations**

Telenor A/S takes part in a joint arrangement, TT Netværket P/S, which handles the expansion, operations and maintenance of the GSM (2G), LTE (4G) and 5G networks. The arrangement is a joint operation in which the partners have direct ownership to the assets and are directly responsible for liabilities in the joint operation. The joint operation has been consolidated into the financial statements of Telenor A/S on a pro rata basis of 50% ownership.

**Translation of foreign currencies**

**Functional currency and presentation currency**

Line items are presented in the currency of the primary economic environment in which the company operates (functional currency). The annual report is presented in DKK which is also the parent's functional currency and presentation currency.

**Translation of transactions and amounts**

Transactions denominated in foreign currencies are translated to the functional currency at the exchange rate on the transaction date. Exchange rate gains and losses arising from the settlement of such transactions and from the translation of monetary assets and liabilities to the exchange rates at the balance sheet date are recognised in the income statement as financial income and expenses. Exchange differences arising out of the translation of non-monetary items, such as financial assets classified as available for sale, including investments, are recognised in other total comprehensive income.

N O T E S

## INCOME STATEMENT

### Revenue from contracts with customers

Revenues from contracts with customers primarily comprise sale of

- Services: subscription and traffic fees, connection fees, interconnection fees, roaming charges and fees for data network services.
- Goods: customer equipment, primarily mobile devices/phones.

### Recognition and measurement

When entering into an agreement with a customer, the goods and services promised in the contract are identified as separate performance obligations to the extent that the customer can benefit from the goods or services either on their own or together with other resources that are readily available to the customer and that goods and services are separately identifiable from other promises in the contract. Example of goods and services which are normally considered to be distinct performance obligations are mobile and fixed line subscription plans, handsets and other equipment.

The company determines the transaction price to be the amount of consideration which it expects to be entitled in exchange for transferring the promised goods and services to the customer, net of discounts and sales related taxes. Sales related taxes are regarded as collected on behalf of the authorities.

If consideration promised in a contract includes a variable amount, the company estimates the amount of consideration which it expects to be entitled. An amount of variable consideration is included in the transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

When the company sells a handset with an option for the customer to buy a new handset before the original instalment period is over, without paying the remaining instalments on the original handset, the consideration related to the handset included in the current contract is estimated based on the expected value approach. If the company is obliged to accept return of the original handset, the company recognises a refund liability reflecting the amount of consideration the company expects not to be entitled to, and a return good asset (with a corresponding adjustment to cost of sales) for its right to recover the handsets returned on settling the refund liability. The new device is accounted for as a new, separate contract.

The transaction is allocated to each performance obligation in the contract on a relative stand-alone selling price basis. Stand-alone selling price for each performance obligation is determined according to the prices that the company would achieve by selling the same goods or services to a similar customer on a stand-alone basis. Except when the company has observable evidence that the entire discount included in a contract relates to only one or more, but not all, performance obligations in a contract, the company allocates the discount proportionately to all performance obligations in the contract.

Revenue is recognised when the respective performance obligations in the contract are satisfied, and payment remains probable. Revenue from sales of customer equipment, such as handsets or other devices, is normally recognised at the point in time when the equipment is transferred to customer, including the related significant risks and rewards of ownership. Revenue from the provision of services is generally recognised over time when or as the company performs the related service during the agreed service period, by measuring progress towards complete satisfaction of the performance obligation. The effects of significant finance components are recognised over the payment period.

### Presentation and impairment

If recognised revenue exceeds amounts received or receivable from a customer, a contract asset is recognised. If amounts received or receivable from a customer exceed revenue recognised for a contract a contract liability is recognised.

Contract assets and contract liabilities are expected to be realised within in the company's normal operating cycle and are classified as current within trade receivables and trade payables respectively. Contract assets are adjusted for provision for impairment in accordance with the expected credit loss model.

Contract assets are transferred to receivables when rights become unconditional. Receivables from contracts with customers are presented separately from contract assets.

Revenues from roaming are recognised gross and in line with generally accepted accounting principles within the telecommunication industry.

### Costs of obtaining or fulfilling contracts with customers

Costs incurred that are incremental to obtaining a contract with a customer, and are expected to be recovered, are recognised as contract acquisition cost assets and amortized in a way that is consistent with the recognition of the related revenue. Contract acquisition costs includes, for example, certain commissions or bonuses to employees directly related to the contract obtained on behalf of the company.

Contract acquisition cost assets are presented as other non-current assets. The amortization period normally covers the expected customer life, which is the contractual period and additional expected renewal periods assessed based on historical churn data, unless new costs are incurred on contract renewals. These costs are included in EBITDA. The company applies the practical expedient of not capitalizing contract costs that would have been amortized within 12 months.

The expected customer lives are:

- Consumer customers 30-40 months
- Business customers 24-36 months

**Transmission cost and cost of sales**

Transmission cost and cost of sales include the cost of sold handsets and other materials, network capacity costs and national and international traffic charges from other operators. Cost of sold handsets and other materials is recognised at the point of sale. Traffic charges are recognised when incurred.

Telenor has entered into a Power Purchase Agreement (PPA) to buy energy from a solar park for Telenor's operation. The solar farm is expected to be completed and ready for production in 2024. PPAs include both Guarantees of Origin (GOs) and fixed prices for energy. Fixed price contracts are generally regarded as derivatives at fair value with gains and losses in the income statement according to IFRS 9 Financial Instruments. However, an exemption is given for fixed-price commodity contracts that meet the "own use" criteria. The electricity market is characterized by some unique features like unpredictable supply and inability to store electricity. As a result, it may happen that energy will be sold in the spot market, but this is expected to be seldom and insignificant amounts. The energy cost under the PPAs will be recognised as Transmission cost and cost of sales when the contract commences in 2024.

**N O T E S**

## Leases

### Right-of-use assets

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and impairments, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The cost of a right-of-use asset also includes an estimate of costs to be incurred by the company in dismantling and removing the underlying leased asset, restoring the site on which it is located or restoring the underlying leased asset to the condition required by the terms and conditions of the lease. Unless it is reasonably certain to exercise an option to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment assessments as described further below.

For spectrum licences, the company might sometimes pay significant amounts up front and before the spectrum is available for the company. The payments will under such circumstances be accounted for as a prepayment until commencement date.

Gains and losses arising from derecognition of right-of-use assets and corresponding lease liabilities (i.e. cancellation, transfer or sales of leases) are measured as the difference between the remaining net carrying amount of the right-of-use assets and corresponding lease liabilities, and any proceeds or termination fees, and are reported as other income or other expenses in the income statement as part of operating profit.

**Lease liabilities**

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating a lease, if the lease term reflects the company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

The company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to exercise the option, or any periods covered by an option to terminate the lease, if it is reasonably certain not to exercise the option. For further information on judgement applied when evaluating lease term of contracts with renewal or termination options, see note 3.

In calculating the present value of lease payments, the company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. To arrive at the incremental borrowing rate the company applies the risk free rate for the term corresponding to the lease term, adjusted for own credit risk.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the company remeasures the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments, or other modifications). Generally, the amount of remeasurement of the lease liability is recognised as an adjustment to the right-of-use asset.

**Other operating expenses**

Other operating expenses include line items that are secondary to the company's activities, including the profit and losses from the sale of intangible and tangible assets. Gains or losses in connection with the sale of intangible and tangible assets are stated as the sales price less costs to sell and the carrying amount at the time of sale.

**Personnel expenses**

Wages, salaries, social security contributions, paid leave and sick leave, bonus and other employee benefits are recognised in the year in which the employee renders the related services.

**N O T E S**

**Income from investments in subsidiaries**

Dividends from investments in subsidiaries are recognised in the income statement in the period in which the dividend is declared. The carrying amounts of subsidiaries is tested at impairment indicators, including if the dividends received exceed the profit realised by the equity investment entity in the period or if book value of the underlying assets is below book value of the investment.

**Financial income and expenses**

Financial income and expenses comprise interest payments on and amortisation of financial liabilities and assets with the amounts that are attributable to the fiscal year.

Financial income and expenses also include the financial costs of financial leasing, realised and unrealised foreign currency gains and losses as well as tax surcharge and tax relief under the Danish Tax Prepayment Scheme, etc.

**Tax**

The company and the other Danish Telenor entities are jointly taxed. The tax is allocated in accordance with the full allocation method.

The tax for the year, consisting of the current tax for the year and the change in deferred tax for the year, is recognised in the income statement. Changes in deferred tax concerning equity items are credited or charged directly to equity. Danish corporation tax with any tax surcharge and tax relief is consequently allocated among Danish companies, whether they realise profits or losses, proportionally to their taxable income.

N O T E S

## BALANCE SHEET

### Intangible assets

**Customer base**

Customer base is measured at cost less accumulated amortisation and impairment losses. The amortisation period for a customer base is the expected lifetime of the customer relationship, and the amortisation method is based on historical experience of churn (customers ending their relationship) for the business. The useful lives and amortisation methods are reviewed at least annually.

**Software**

Software is measured at cost less accumulated amortisation and impairment losses. Cost comprises the acquisition price and costs directly related to the acquisition until the time when the asset is ready for its intended use.

Own-developed software comprises costs and salaries directly attributable to the company's software development activities as well as finance costs in the production period. Own-developed software that is clearly defined and identifiable, where technical utilisation, sufficient resources and a potential future market or possible use in the company can be demonstrated and where it is intended to use the project, is recognised as intangible assets if the cost can be reliably measured and there is adequate assurance that the future earnings can cover the costs of production, sale and administration as well as the actual development costs.

Other development costs are charged to the income statement as and when incurred. Capitalised own-developed software is measured at cost less accumulated amortisation and impairment losses. A yearly impairment test is performed for own-developed software assets where there is an indication of impairment. Development cost capitalized is bound as restricted reserve on equity and reduced with amortisations and impairment losses.

After completed development work, own-developed software is amortised on a straight-line basis over its estimated useful life. The amortisation period is usually 3-5 years. The basis of amortisation is reduced by any impairment losses.

**N O T E S**

**Tangible assets**

Tangible assets are measured at cost less accumulated depreciation and impairment losses. Cost comprises the acquisition price and costs directly related to the acquisition until the time when the asset is ready for its intended use. For own-manufactured assets, the cost includes direct labour, materials, parts purchased, and services rendered by subcontractors as well as interest costs in the production period. Furthermore, the cost includes estimated costs of restoration if these costs also meet the criteria for recognition of provisions. The cost of a single asset is divided into separate components that are depreciated individually if the individual components have different useful lives.

The cost of properties includes the cash acquisition cost of land and buildings as well as the aggregate construction and/or conversion costs.

Straight-line depreciation is applied, based on the estimated useful lives which are determined at the time of acquisition and reassessed annually. The estimated useful lives are:

- Buildings 10-50 years, including masts and leasehold improvements 5-10 years
- Plant and machinery 3-10 years
- Other fixtures and fittings, tools and equipment 3-10 years
- Land is not depreciated.

The basis of depreciation is determined with consideration of the asset’s scrap value and is reduced by any impairment losses. The scrap value is determined at the time of acquisition and reassessed annually. Depreciation ceases if the scrap value exceeds the carrying amount of the asset.

If the depreciation period or scrap value changes, the depreciation effect is recognised as a change in accounting estimates going forward.

An impairment test is performed for tangible assets where there is an indication of impairment. The impairment test is performed for each individual asset or group of assets. The assets are written down to the lower of the recoverable amount and the carrying amount.

**Investments in subsidiaries**

Investments in subsidiaries are measured at cost. If the cost exceeds the recoverable amount, it is written down to this lower amount. The carrying amount of subsidiaries is tested at impairment indicators, including if the dividends received exceed the profit realised by the equity investment entity in the period or if the net assets of the subsidiary is below net book value.

**Impairment of assets**

Impairment losses are recognised when the carrying amount of an asset or a cash-generating unit, respectively, exceeds the recoverable amount of the asset or the cash-generating unit. Impairment losses are charged to the income statement under depreciation, amortisation and impairment losses.

Impairment of assets is reversed to the extent of any changes in the estimates and assumptions causing the impairment charge. Impairment losses are only reversed to the extent that the new carrying amount of the asset does not exceed the carrying amount of the asset if it had not been written down. Notwithstanding the above, any impairment of goodwill will not be reversed.

**Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the FIFO or weighted average method, depending on the nature of the inventories. The net realisable value is the estimated selling price less costs to sell. Impairment is recognised for obsolete inventory, including slow-moving stock.

**Receivables**

Receivables primarily include non-current interest-bearing receivables, trade receivables and short-term advances to group entities.

Non-current interest-bearing receivables are measured on initial recognition at fair value including directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Trade receivables and contract assets are adjusted for provision for impairment in accordance with the expected credit loss model. The simplified approach is applied measuring the loss allowance at an amount equal to lifetime expected credit losses. Impairment for expected credit losses is assessed every reporting period and calculated by considering the historic evidence of the level of bad debt experienced for customer types and the aging of the receivable balance.

Receivables from interest-free instalment sales are recognised at the present value of the future payments based on a risk-free and customer-specific rate of interest. The interest element is carried as income as and when the loan is repaid.

Fixed-interest short-term advances to group entities are measured at amortised cost as they are held until maturity. Receivables are measured at amortised cost.

**Pre-paid costs**

Prepaid costs recognised under assets include expenses paid concerning subsequent financial years.

Prepayments mainly relate to connection charges for the lease of cables from other operators (operator access, etc.). The depreciation period for connection charges is the expected customer lifetime based on historical experience.

**Corporation tax and deferred tax**

Current tax liabilities and current tax receivables are recognised in the balance sheet as calculated tax of the year's taxable income adjusted for tax of previous years' taxable incomes and tax paid on account.

Deferred tax is recognised and measured under the balance sheet liability method on all temporary differences between the carrying amount and tax-based value of assets and liabilities. However, deferred tax is not recognised for temporary differences relating to the tax base of non-depreciable office properties. In cases where the tax base can be calculated in accordance with alternative taxation rules, deferred income tax is measured on the basis of the management's planned utilisation of the asset or settlement of the obligation, respectively.

Deferred tax assets, including the tax base of a tax loss allowed for carry forward, are measured under other non-current asset investments at the expected use value of the asset, either by elimination in tax of future income or by offsetting against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax is measured based on the tax rules and rates which will be applicable under the legislation in force at the balance sheet date when the deferred tax is expected to be realised as current tax. Changes in deferred tax in consequence of changes in tax rates are recognised in the income statement.

## N O T E S

### Equity

**Reserve for development costs:**
Reserve for development costs comprise recognised development costs after tax, which are capitalised as intangible assets. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or no longer part of the Company's operations. This is done by a transfer directly to the distributable reserves under equity.

**Proposed dividend:**
Proposed dividend is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is presented as a separate line item in equity.

### Provisions
Provisions including restructuring are recognised when the company, as a consequence of an event in the financial year or in previous financial years, has a legal or constructive liability and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are recognised and measured as the best estimate of the costs required to settle the liabilities at the balance sheet date. Provisions with an expected maturity of more than 12 months from the balance sheet date are measured at present value.

The provisions include restoration liabilities (asset retirement obligations). When the company has an obligation to dismantle an asset or restore the site on which the asset was used, a liability is recognised, corresponding to the present value of the expected future costs. The present value of future costs is capitalised as a tangible asset and depreciated over the useful life of the asset it relates to. After initial recognition at present value, the added cost of the liability is charged to the income as a finance cost.

### Financial liabilities
Payables to credit institutions, etc., are recognised at the time of borrowing and at the received proceeds less transaction costs paid.

In subsequent periods, the financial liabilities are measured at amortised cost by applying the effective interest rate method so that the difference between the proceeds and the nominal value is recognised in the income statement over the borrowing period.

**NOTES**

Telenor A/S is part of a cash pool arrangements where Telenor ASA is the account holder and the other companies in the group are sub-account holders or participants. Any receivables or borrowings within the cash pool arrangement is recognised as either receivables or payables to group entities.

Other liabilities are measured at net realisable value.

**CASH FLOW STATEMENT**

The cash flow statement shows the company's cash flows for the year, divided into operating, investment and financing activities, the year's change in cash and cash equivalents and the company's opening and closing cash balance.

**Cash flows from operating activities**
Cash flows from operating activities are calculated as income before tax, adjusted for non-cash operating items, working capital changes, unpaid interest and corporation tax paid.

**Cash flows from investment activities**
Cash flows from investment activities comprise payments related to purchasing and selling companies and activities, purchasing and selling non-tangible, tangible and other non-current assets as well as purchasing and selling securities that are not recognised as cash and cash equivalents.

**Cash flows from financing activities**
Cash flows from financing activities comprise changes to the amount or composition of share capital and related costs as well as raising loans, servicing interest-bearing debt, purchasing and selling treasury shares and distributing dividends to owners.

**Cash and cash equivalents**
Comprises cash and cash equivalents as well as short-term bank loans.

**Note 2. Definitions of key figures and ratios**

Solvency ratio = Closing shareholders' equity / Balance sheet total

**Note 3. Significant accounting estimates, assumptions and uncertainties**
Many items in financial statements cannot be measured with precision but can only be estimated. The estimation process involves judgements based on the latest information available at time of preparing the financial statements. An estimate may have to be revised if changes occur regarding the circumstances on which the estimate was based or as a result of new information, more experience or subsequent developments.

In the practical application of the described accounting policies, the management has made the following significant accounting estimates which have significantly affected the financial statements:

## Note 3. Significant accounting estimates, assumptions and uncertainties, continued

### License fees and rights

Unpaid services associated with the acquisition of the licences are discounted, at the time of acquisition, to net present value. The uncertainty stated relates to estimates concerning the average discount rate. Average discount rates have been applied to the different licenses (0.62% - 1.58%) when discounting unpaid services to net present value, based on the expected interest-rate level for the period 2017-2032.

### Climate-related risks

Telenor is exposed to climate-related physical risks such as potential damage to infrastructure and utilities through the impact of more extreme weather events and rising sea levels. Climate-related regulatory risks include potentially higher operational costs due to increasing carbon taxes and energy/fuel taxes, as well as risks of higher capital expenditures due to a required transition towards the use of renewable energy solutions and energy efficient networks. Climate-related risks are considered in the cash flow projections and in impairment indicators.

### Expected useful lives

The expected useful lives of tangible and other intangible assets are based on the management's estimates and are reviewed annually to ensure compliance with the expected economic lives of the assets based on current facts and circumstances.

Particularly critical estimates concerning the expected useful lives of the assets comprise, without limitation, expectations of technological and market developments.

### Lease terms of contracts with renewal or termination options

Generally, the lease terms of the company's lease agreements are not fixed. Hence, after any non-cancellable period management is required to estimate the period over which it is reasonably certain not to terminate the leases. Further, the lease terms will be reassessed upon changes to the non-cancellable period, upon technology upgrades in the underlying asset and when the lease term and date is reached.

### Asset retirement obligations

The asset retirement obligations of the company relate mainly to sites and retail stores, when the company has a legal or constructive obligation to remove an asset or restore a site. The company has estimated and capitalised the net present value of the obligations and increased the carrying value of the related assets.

## N O T E S

### Note 4. Revenue

The company operates within a single geographic market, i.e. Denmark, and two significant activities; mobile telephony and broadband/landline services. Together, the activities are considered to be one cash-generating unit (CGU), as the structure of the company's organisation and financial management means that only the revenue is divided into the stated activities whereas other costs and investments are considered in combination.

Revenue distribution for the two activities:

| | 2023<br>mDKK | 2022<br>mDKK |
|---|---|---|
| Mobile operations | 2,784 | 2,713 |
| Handset and other devices | 842 | 889 |
| Operating lease revenues | 22 | 22 |
| Fixed operations | 415 | 389 |
| | 4,064 | 4,013 |

### Note 5. Staff expenses

| | 2023<br>mDKK | 2022<br>mDKK |
|---|---|---|
| Salaries and wages | 522 | 524 |
| Defined contribution plans | 50 | 45 |
| Other expenses for social security | 5 | 6 |
| Other staff expenses | 19 | 17 |
| Work performed by the enterprise and capitalised | -56 | -59 |
| | 540 | 533 |
| | | |
| Average number of employees | 960 | 1,002 |

Remuneration of the Executive Board is not disclosed, subject to Section 98b of the Danish Financial Statements Act. The board of directors has not received any remuneration from the company.

## N O T E S

### Note 6. Other operating expenses

| | 2023 mDKK | 2022 mDKK |
|---|---|---|
| Losses/gains on disposal and retirement of non-current assets | 6 | -1 |
| Restructuring and onerous contracts | 15 | 14 |
| | 21 | 13 |

### Note 7. Depreciation, amortisation and impairment losses

| | 2023 mDKK | 2022 mDKK |
|---|---|---|
| Depreciation of tangible assets | 302 | 357 |
| Amortisation of intangible assets | 109 | 99 |
| Amortisation of ROU assets | 231 | 221 |
| | 642 | 677 |

### Note 8. Financial income

| | 2023 mDKK | 2022 mDKK |
|---|---|---|
| Interest income concerning receivables | 32 | 41 |
| Interest income from group entities | 24 | 5 |
| | 56 | 46 |

### Note 9. Financial expenses

| | 2023 mDKK | 2022 mDKK |
|---|---|---|
| Interest expenses for group entities | 73 | 17 |
| Interest expenses on lease liabilities | 12 | 9 |
| Other financial expenses | 50 | 46 |
| Exchange rate gains and losses, net | 1 | 1 |
| | 136 | 73 |

**N O T E S**

## Note 10. Tax on the profit for the year

| | 2023 mDKK | 2022 mDKK |
|---|---|---|
| Corporation tax | -14 | -20 |
| Change in deferred tax | -66 | -35 |
| | -80 | -55 |

The current corporation tax for the financial period is based on a tax rate of 22 %.

| | 2023 | 2022 |
|---|---|---|
| Profit/loss before tax | 384 | 264 |
| | | |
| Tax at a tax rate of 22 % | -84 | -58 |
| Impact from non-deductible expenses | 0 | 1 |
| Adjustment for previous years | 4 | 2 |
| Tax on the profit for the year | -80 | -55 |
| | | |
| Effective tax rate for the year | 21% | 21% |

The company is a party to compulsory national joint taxation with all Danish companies owned by the Telenor group. Calculated tax is accrued in the company in accordance with Danish taxation rules.

The development in the company's effective tax rate is mainly attributable to the effect of the profit on non-tax income concerning reversal of impairment losses and additional tax depreciations on fixed assets in accordance with Danish tax law.

## Note 11. Intangible assets

| | Software mDKK | Software in progress mDKK | Total mDKK |
|---|---|---|---|
| **Cost** | | | |
| Cost at 01.01.22 | 815 | 54 | 869 |
| Reclassification | 33 | -33 | 0 |
| | 848 | 21 | 869 |
| Additions | 81 | 15 | 96 |
| Disposals | -58 | 0 | -58 |
| **Cost at 31.12.22** | **871** | **36** | **907** |
| **Amortisation and impairment losses** | | | |
| Amortisation and impairment losses 01.01.22 | -684 | 0 | -684 |
| Reclassification | 0 | 0 | 0 |
| | -684 | 0 | -684 |
| Amortisation for the year | -99 | 0 | -99 |
| Disposals | 58 | 0 | 58 |
| **Amortisation and impairment losses at 31.12.22** | **-725** | **0** | **-725** |
| **Carrying amount at 31.12.22** | **146** | **36** | **182** |

## Note 11. Intangible assets, continued

| | Customer base mDKK | Software mDKK | Software in progress mDKK | Total mDKK |
|---|---|---|---|---|
| **Cost** | | | | |
| Cost at 01.01.23 | 0 | 871 | 36 | 907 |
| Reclassification | 0 | 20 | -20 | 0 |
| | 0 | 891 | 16 | 907 |
| Additions | 25 | 70 | 42 | 137 |
| Disposals | 0 | -48 | 0 | -48 |
| **Cost at 31.12.23** | **25** | **913** | **58** | **996** |
| **Amortisation and impairment losses** | | | | |
| Amortisation and impairment losses 01.01.23 | 0 | -725 | 0 | -725 |
| Reclassification | 0 | 0 | 0 | 0 |
| | 0 | -725 | 0 | -725 |
| Amortisation for the year | -4 | -105 | 0 | -109 |
| Disposals | 0 | 45 | 0 | 45 |
| **Amortisation and impairment losses at 31.12.23** | **-4** | **-785** | **0** | **-789** |
| **Carrying amount at 31.12.23** | **21** | **128** | **58** | **207** |

Software includes acquired and internally developed software. The software capitalized is supporting the business and thereby generating future financial benefits.

No individual assets in this category are individually significant to the financial statements. No impairment indicators have been identified for the intangible assets.

## Note 12. Right-of-use assets

| | Land and buildings mDKK | Plant and machinery mDKK | Other fixture, fittings tools and equipment mDKK | Licenses and rights mDKK | Total mDKK |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| Balance at 01.01.22 | 412 | 714 | 23 | 1,496 | 2,645 |
| Reclassification | 0 | 0 | 0 | 0 | 0 |
| | 412 | 714 | 23 | 1,496 | 2,645 |
| Additions | 97 | 112 | 0 | 123 | 332 |
| Disposals | -68 | -11 | -5 | -492 | -576 |
| **Cost at 31.12.22** | **441** | **815** | **18** | **1,128** | **2,402** |
| **Depreciation and impairment losses** | | | | | |
| Depreciation and impairment losses 01.01.22 | -191 | -400 | -12 | -769 | -1,372 |
| Reclassification | 0 | 0 | 0 | 0 | 0 |
| | -191 | -400 | -12 | -769 | -1,372 |
| Depreciation for the year | -67 | -86 | -5 | -63 | -221 |
| Reversal of disposals | 74 | 6 | 4 | 492 | 576 |
| **Depreciation and impairment losses at 31.12.22** | **-184** | **-480** | **-13** | **-342** | **-1,018** |
| **Carrying amount at 31.12.22** | **257** | **336** | **5** | **786** | **1,384** |

## Note 12. Right-of-use assets, continued

| | Land and buildings mDKK | Plant and machinery mDKK | Other fixture, fittings tools and equipment mDKK | Licenses and rights mDKK | Total mDKK |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| Balance at 01.01.23 | 441 | 815 | 18 | 1,128 | 2,402 |
| Reclassification | 0 | 0 | 0 | 0 | 0 |
| | 441 | 815 | 18 | 1,128 | 2,402 |
| Additions | 45 | 124 | 6 | 0 | 175 |
| Disposals | -6 | -17 | -4 | -11 | -38 |
| **Cost at 31.12.23** | **480** | **922** | **20** | **1,117** | **2,539** |
| **Depreciation and impairment losses** | | | | | |
| Depreciation and impairment losses 01.01.23 | -184 | -480 | -13 | -342 | -1,018 |
| Reclassification | 0 | 0 | 0 | 0 | 0 |
| | -184 | -480 | -13 | -342 | -1,018 |
| Depreciation for the year | -68 | -95 | -4 | -64 | -231 |
| Reversal of disposals | 4 | 14 | 4 | 11 | 33 |
| **Depreciation and impairment losses at 31.12.23** | **-247** | **-561** | **-13** | **-395** | **-1,216** |
| **Carrying amount at 31.12.23** | **232** | **362** | **7** | **722** | **1,323** |

Spectrum contracts are included in the carrying amount of Licenses and rights. At 31.12.23 the carrying amount of spectrums is 500 mDKK (2022: 536 mDKK).
For operating lease payments during the year, see note 24.

**N O T E S**

## Note 13. Tangible assets

| | Land and buildings mDKK | Plant and machinery mDKK | Other fixture, fittings tools and equipment mDKK | Tangible assets in progress mDKK | Total mDKK |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| Balance at 01.01.22 | 316 | 3,511 | 249 | 117 | 4,193 |
| Reclassification | 5 | 11 | 22 | -38 | 0 |
| | 321 | 3,522 | 271 | 79 | 4,193 |
| Additions | 15 | 361 | 30 | 58 | 464 |
| Disposals | -1 | -575 | -42 | 0 | -618 |
| **Cost at 31.12.22** | **335** | **3,308** | **259** | **137** | **4,039** |
| **Depreciation and impairment losses** | | | | | |
| Depreciation and impairment losses 01.01.22 | -167 | -2,404 | -98 | 0 | -2,699 |
| Reclassification | 0 | 0 | 0 | 0 | 0 |
| | -167 | -2,404 | -98 | 0 | -2,699 |
| Depreciation for the year | -10 | -282 | -65 | 0 | -357 |
| Reversal of disposals | 1 | 574 | 42 | 0 | 617 |
| **Depreciation at 31.12.22** | **-176** | **-2,112** | **-121** | **0** | **-2,409** |
| **Carrying amount at 31.12.22** | **159** | **1,196** | **138** | **137** | **1,630** |

## Note 13. Tangible assets, continued

| | Land and buildings mDKK | Plant and machinery mDKK | Other fixture, fittings tools and equipment mDKK | Tangible assets in progress mDKK | Total mDKK |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| Balance at 01.01.23 | 335 | 3,308 | 258 | 137 | 4,039 |
| Reclassification | 3 | 27 | 5 | -35 | 0 |
| | 338 | 3,335 | 264 | 102 | 4,039 |
| Additions | 12 | 332 | 10 | 23 | 377 |
| Disposals | -2 | -578 | -15 | -2 | -597 |
| **Cost at 31.12.23** | **348** | **3,089** | **259** | **124** | **3,820** |
| **Depreciation and impairment losses** | | | | | |
| Depreciation and impairment losses 01.01.23 | -176 | -2,112 | -121 | 0 | -2,409 |
| Reclassification | 0 | 0 | 0 | 0 | 0 |
| | -176 | -2,112 | -121 | 0 | -2,409 |
| Depreciation for the year | -9 | -254 | -39 | 0 | -302 |
| Reversal of disposals | 0 | 578 | 15 | 0 | 593 |
| **Depreciation at 31.12.23** | **-185** | **-1,788** | **-145** | **0** | **-2,118** |
| **Carrying amount at 31.12.23** | **163** | **1,301** | **114** | **124** | **1,702** |

No individual assets in this category are individually significant to the financial statements. No impairment indicators have been identified for the intangible assets.

## NOTES

### Note 14. Investments in subsidiaries

| | 2023 mDKK | 2022 mDKK |
|---|---|---|
| Acquisition price at 01.01. | 3,318 | 3,318 |
| Additions | 0 | 0 |
| Disposals | 0 | 0 |
| Acquisition price at 31.12. | 3,318 | 3,318 |

| | 2023 mDKK | 2022 mDKK |
|---|---|---|
| Impairment losses at 01.01. | -3,189 | -3,189 |
| Impairment for the year / reversal of impairment | 4 | 0 |
| Disposal of impairment | 0 | 0 |
| Impairment losses at 31.12. | -3,185 | -3,189 |
| Carrying amount at 31.12. | 133 | 129 |

**The subsidiaries of Telenor A/S are:**

| | Registered Office | Ownership share | Share of voting rights | Activity |
|---|---|---|---|---|
| Tn Finance A/S | Denmark | 100 % | 100 % | Other financial services |
| Telenor Digital Holding Inc. | USA | 100 % | 100 % | Investments digital services |

| | Net Income for the year | Equity |
|---|---|---|
| Tn Finance A/S | 4 | 133 |
| Telenor Digital Holding Inc. | -67 | -273 |

Both companies have been dormant throughout 2023.

For Tn Finance A/S which is dormant, recoverable amount has been assessed to equal net assets as all assets of the company are cash and cash pool deposits.

No accrual has been made to cover the negative equity of Telenor Digital Holding Inc as the company has no obligation to cover this. In all material aspects debt in Telenor Digital Holding Inc consist of debt to Tn Finance A/S where it has been fully impaired as bad debt..

**N O T E S**

## Note 15. Contract acquisition cost

| **Cost in mDKK** | **As of 31 December 2022** | **Costs capitalised during the year** | **Amorti-sation** | **As of 31 December 2023** |
|---|---|---|---|---|
| Contract acquisition costs | 137 | 111 | -98 | 150 |
| **Total costs** | **137** | **111** | **-98** | **150** |

| **Cost in mDKK** | **As of 31 December 2021** | **Costs capitalised during the year** | **Amorti-sation** | **As of 31 December 2022** |
|---|---|---|---|---|
| Contract acquisition costs | 138 | 92 | -93 | 137 |
| **Total costs** | **138** | **92** | **-93** | **137** |

## Note 16. Inventories

| | **2023 mDKK** | **2022 mDKK** |
|---|---|---|
| Goods for resale | 86 | 112 |
| **Inventories at 31.12.** | 86 | 112 |
| Impairment losses on goods for resale to net realisable value for the year | 1 | 0 |

## Note 17. Trade receivables

| | 2023 mDKK | 2022 mDKK |
|---|---|---|
| Trade receivables before impairment losses | 1,091 | 1,124 |
| Return good asset | 0 | 0 |
| Contract asset | 34 | 29 |
| Impairment for expected losses | -22 | -25 |
| Trade receivables | 1,103 | 1,128 |

**Age analysis of trade receivables**

| | 2023 mDKK | 2022 mDKK |
|---|---|---|
| *Receivables before impairment losses* | | |
| Not due | 997 | 1,008 |
| Overdue by 1 – 179 days | 62 | 60 |
| Overdue by 180 – 359 days | 30 | 17 |
| Overdue by more than 360 days | 36 | 43 |
| | 1,125 | 1,153 |
| *Impairment for probable losses* | | |
| Not due | -1 | -1 |
| Overdue by 1 – 179 days | -5 | -5 |
| Overdue by 180 – 359 days | -6 | -5 |
| Overdue by more than 360 days | -10 | -14 |
| Impairment for probable losses | -22 | -25 |
| Trade receivables | 1,103 | 1,128 |

**Development in impairment for losses**

| | 2023 mDKK | 2022 mDKK |
|---|---|---|
| Impairment losses at year-start | 25 | 24 |
| Changes in the period | -3 | 1 |
| Impairment losses at year-end | 22 | 25 |

The company’s aggregate credit risk amounts to 1,103 mDKK (2022: 1,128 mDKK).

| | 2023 mDKK | 2022 mDKK |
|---|---|---|
| **Note 18. Share capital** | | |
| Share capital at 01.01. | 605 | 605 |
| Capital increase | 0 | 0 |
| Share capital at 31.12. | 605 | 605 |

The share capital consists of 605,000 shares of a nominal value of DKK 1,000. The shares are fully paid up. The shares are not divided into classes. No shares carry special rights.

The share capital for the past five years:

| | 2023 mDKK | 2022 mDKK | 2021 mDKK | 2020 mDKK | 2019 mDKK |
|---|---|---|---|---|---|
| Share capital | 605 | 605 | 605 | 605 | 605 |

| | 2023 mDKK | 2022 mDKK |
|---|---|---|
| **Note 19. Deferred tax assets** | | |
| Deferred tax asset at 01.01. | 122 | 157 |
| Change in deferred tax recognised in the income statement | -66 | -35 |
| Deferred tax asset at 31.12. | 56 | 122 |

| | 01.01.22 mDKK | Recognised in inc. statement mDKK | 31.12.22 mDKK |
|---|---|---|---|
| Non-current assets | 18 | -32 | -14 |
| Current assets | -32 | -1 | -33 |
| Non-current liabilities | 40 | 14 | 54 |
| Current liabilities | 34 | 0 | 34 |
| Loss carry forward | 97 | -16 | 81 |
| | 157 | -35 | 122 |

## Note 19. Deferred tax assets, continued

| | 01.01.23 mDKK | Recognised in inc. statement mDKK | 31.12.23 mDKK |
|---|---|---|---|
| Non-current assets | -14 | -21 | -35 |
| Current assets | -33 | -1 | -34 |
| Non-current liabilities | 54 | -9 | 45 |
| Current liabilities | 34 | 0 | 34 |
| Loss carry forward | 81 | -35 | 46 |
| | 122 | -66 | 56 |

## Note 20. Provisions

Provisions mainly concern restoration liabilities. When the company has an obligation to dismantle an asset or restore the site on which the asset was used, a liability is recognised, corresponding to the present value of the expected future costs.

The company's restoration obligations mainly comprise dismantling obligations concerning masts and sites on leased land as well as conversion of leased property. These leases generally include provisions requiring the company to restore the leased premises to their original condition after the expiry of the agreement. The timing of the realisation of the recognised restoration obligations will generally be subject to uncertainty.

Provision for repairs concerns provision for repairs of handsets in the 2nd year guarantee period. It is expected that the most significant recognised obligation will be realised within 1 year.

Other restructuring provisions primarily concern expenses towards non-utilised contracts or dismissed employees where the company's financial obligations continue to exist. It is expected that the most significant recognised obligations will be realised within a period of 1-2 years.

| **Provision for restoration:** | **2023 mDKK** | **2022 mDKK** |
|---|---|---|
| Provisions for restoration costs at 01.01. | 165 | 167 |
| Additions | 0 | 0 |
| Changes in assumptions/estimates | -28 | -1 |
| Realised during the year | -4 | -1 |
| Provisions for restoration costs at 31.12. | 133 | 165 |

## N O T E S

### Note 20. Provisions, continued

| Provision for repairs: | 2023 mDKK | 2022 mDKK |
|---|---|---|
| Provisions for repair costs at 01.01. | 8 | 9 |
| Provisions for the year | 0 | 0 |
| Realised during the year | -1 | -1 |
| Provisions for repair costs at 31.12. | 7 | 8 |
| **Provisions for restructuring – non-current element:** | | |
| Non-current element of restructuring at 01.01. | 0 | 0 |
| Provisions for staff reductions and onerous contracts | 0 | 0 |
| Reclassified to current element | 0 | 0 |
| Provisions for restructuring at 31.12. | 0 | 0 |
| **Provisions for restructuring – current element:** | | |
| Current element of restructuring at 01.01. | 1 | 3 |
| Reclassified from non-current element | 0 | 0 |
| Provisions for staff reductions and onerous contracts | 15 | 16 |
| Realised during the year | -15 | -18 |
| Provisions for restructuring at 31.12. | 1 | 1 |
| **Total provisions for restructuring at 31.12.** | **1** | **1** |

| Provision for legal disputes: | mDKK | mDKK |
|---|---|---|
| Provisions at 01.01. | 0 | 3 |
| Provisions for the year | 2 | 0 |
| Realised during the year | 0 | -3 |
| Provisions at 31.12. | 2 | 0 |

## Note 21. Trade payables

| | 2023 mDKK | 2022 mDKK |
|---|---|---|
| Trade payables | 700 | 708 |
| Refund liability | 0 | 0 |
| | 700 | 708 |

## Note 22. Payables to group entities

The payables carry floating-rate interest with monthly rate adjustments. For 2023 the interest ranged from 3.73 – 4.81 % p.a. (2022: 0.29 – 3.41% p.a.).
Non-current payables to group entities is a 5-year EUR loan to Telenor Mobile Holding.

## Note 23. Other payables

| | 2023 mDKK | 2022 mDKK |
|---|---|---|
| VAT and charges | 33 | 37 |
| Salary, payroll taxes, bonus, holiday pay, etc., payable | 63 | 42 |
| Other costs payable | 2 | 51 |
| | 98 | 130 |

The carrying amount of expenses payable with respect to salary, payroll taxes, social contributions, holiday pay, etc., VAT and charges as well as other expenses payable corresponds to the fair value of the obligations.

Holiday pay obligations represent the company's obligation to pay salary in holiday periods which the employees, as at the balance sheet date, have a vested right to hold in subsequent financial years.

## Note 24. Operating lease commitments

| | 2023 mDKK | 2022 mDKK |
|---|---|---|
| Low value leases | 1 | 1 |
| Variable lease payments | 26 | 26 |
| Minimum lease payments recognised in the income statement | 27 | 27 |
| Lease interests recognised in the income statement | 12 | 9 |

## Note 25. Financial assets and liabilities

***Categories of financial assets and financial liabilities***

The financial assets of Telenor A/S include trade receivables, receivables from group entities, other receivables and deposits. All financial assets are recognised as receivables from group entities and other receivables at amortised cost. The financial liabilities include payables to group entities, other interest-bearing liabilities, deposits and trade payables. All financial assets and liabilities are carried at amortised cost.

***Fair value***

The fair value of financial assets and liabilities are assessed, for all financial assets and liabilities, to correspond to the carrying amount as this represents a reasonable approximation to the fair value because the financial assets and liabilities are either classified as current or subject to floating-rate interest at a market-determined rate of interest.

***Financial risks***

Telenor's treasury function is responsible for financial risk management including liquidity management, interest rate risk, managing foreign exchange risk, credit risk and capital management. The activities in the treasury function are performed according to policies and procedures approved by the Board of Directors of Telenor A/S.

Insofar as possible, the group attempts to counter and manage any risks that the group can influence through own actions.

## N O T E S

### Note 25.  Financial assets and liabilities, continued

#### *Liquidity risks*

The company is mainly financed by intercompany loans and associated cash pools. The company is part of the Telenor group's cash pool scheme, which includes that any excess liquidity is placed on accounts in the Telenor group's internal bank.

As is the case for other companies in the Telenor group, Telenor A/S will receive the necessary liquidity support from the Telenor group's internal bank to ensure that the company's liquidity resources are sufficient to cover the requirements at any time.

#### *Credit risks*

The company's credit risks primarily relate to non-current interest-bearing receivables and trade receivables.

The credit risk for trade receivables is assessed to be limited due to the significant number of individual receivables. Against this background, it is not assessed that further provisions will be required in addition to the normal provisions for losses on trade receivables that have already been recognised. See note 18 for details about the age analysis of the receivables and provisions for bad debts.

The Company is also exposed to credit risk related to receivables from group entities. However, the receivables mainly relates to Telenor Group cash pool and the risk is considered to be low.

#### *Interest risks*

The company primarily has floating-rate loans. Interest-rate fluctuations will consequently affect the company's interest expenses. All else being equal, an interest-rate fluctuation of 1% p.p concerning floating-rate loans would have impacted the company's interest expenses by +/- 15 mDKK in 2023 (2022: 14 mDKK).

#### *Exchange rate risks*

The company has no material risks in terms of exchange rates as its main balance sheet items are denomited in DKK.

## Note 25. Financial assets and liabilities, continued

***Financial liability maturity outline***

| **2022** | **Total mDKK** | **<1 year mDKK** | **1-3 years mDKK** | **>3 years mDKK** |
|---|---|---|---|---|
| **Interest-bearing liabilities** | | | | |
| Payables to group entities | 1,398 | 0 | 0 | 1,398 |
| Lease liabilities | 481 | 153 | 174 | 154 |
| Other interest-bearing liabilities | 567 | 35 | 116 | 416 |
| **Total interest-bearing liabilities** | 2,446 | 188 | 290 | 1,968 |
| | | | | |
| **Non-interest-bearing liabilities** | | | | |
| Payables to group entities | 147 | 147 | - | - |
| Trade payables | 708 | 708 | - | - |
| Other payables | 130 | 130 | - | - |
| **Total non-interest-bearing liabilities** | 985 | 985 | 0 | 0 |
| Future interest expenses | 0 | 0 | 0 | 0 |
| **Total liabilities, including interest expenses** | 3,431 | 1,173 | 290 | 1,968 |

***Financial liability maturity outline***

| **2023** | **Total mDKK** | **<1 year mDKK** | **1-3 years mDKK** | **>3 years mDKK** |
|---|---|---|---|---|
| **Interest-bearing liabilities** | | | | |
| Payables to group entities | 1,464 | 0 | 0 | 1,464 |
| Lease liabilities | 496 | 147 | 203 | 146 |
| Other interest-bearing liabilities | 538 | 72 | 97 | 369 |
| **Total interest-bearing liabilities** | 2,498 | 219 | 300 | 1,979 |
| | | | | |
| **Non-interest-bearing liabilities** | | | | |
| Payables to group entities | 22 | 22 | - | - |
| Trade payables | 700 | 700 | - | - |
| Other payables | 98 | 98 | - | - |
| **Total non-interest-bearing liabilities** | 820 | 820 | 0 | 0 |
| Future interest expenses | 362 | 36 | 145 | 181 |
| **Total liabilities, including interest expenses** | 3,680 | 1,075 | 445 | 2,160 |

## Note 26. Contingent liabilities, provision of security and contractual obligations

Together with the other companies comprised by the joint registration with respect to VAT, the company is jointly liable for the applicable VAT obligation at any time.

The company is jointly and severally liable with the jointly taxed companies for the aggregate corporation tax.

The company has entered into agreements with suppliers in addition to the items carried in the financial statements at 272 mDKK as of 31 December 2023 (2022: 479 mDKK).

***Contractual purchase obligations and committed investments, maturity outline***

| 2023 | Total mDKK | <1 year mDKK | 1-3 years mDKK | >3 years mDKK |
|---|---|---|---|---|
| **Contractual purchase obligations** | | | | |
| Network capacity | 28 | 28 | 0 | 0 |
| Other contractual obligations | 150 | 150 | 0 | 0 |
| **Committed investments** | | | | |
| Property plant and equipment and intangible assets | 94 | 94 | 0 | 0 |
| **Total contractual obligations** | 272 | 272 | 0 | 0 |

| | 2023 mDKK | 2022 mDKK |
|---|---|---|
| **Note 27. Working capital changes** | | |
| Changes in inventories | 27 | -3 |
| Changes in receivables | 13 | 25 |
| Changes in other provisions | 3 | -4 |
| Changes in trade payables | -32 | 35 |
| | 11 | 53 |

| | 2023 mDKK | 2022 mDKK |
|---|---|---|
| **Note 28. Cash and cash equivalents** | | |
| Cash and cash equivalents and bank deposits | 61 | 39 |
| | 61 | 39 |

The carrying amount equals the fair value of the cash and cash equivalents.

### Note 29. Shareholders

The company is wholly owned by Telenor Danmark Holding A/S, Copenhagen.

The company's ultimate parent, which is also the only entity preparing consolidated financial statements in which the company is a subsidiary, is Telenor ASA, Snarøyveien 30, NO-1311 Fornebu, Norway.

Link to Telenor Group's consolidated financial statements for 2023:
https://www.telenor.com/binaries/investors/reports-and-information/annual/annual-report-2023/Annual%20Report%202023-English.pdf#page=1

### Note 30. Related parties

The company's related parties with control comprise the main shareholder, Telenor Danmark Holding A/S, Copenhagen. Related parties are also considered to include all subsidiaries and associates comprised by the company's ultimate parent, Telenor ASA, Fornebu. Members of the Board of Directors and the Executive Board are also considered to be related parties.

In 2023, Telenor A/S has had the following transactions and balances with related parties:

| **Parents** | **2023 mDKK** | **2022 mDKK** |
|---|---|---|
| Income | 37 | 12 |
| Expenses | 103 | 46 |
| | | |
| Dividend | 650 | 260 |
| Receivables | 428 | 454 |
| Liabilities to group entities | 1,473 | 1,539 |

| **Joint operations (consolidated in Telenor A/S, 50%)** | **2023 mDKK** | **2022 mDKK** |
|---|---|---|
| Income | 22 | 22 |
| Expenses | 437 | 515 |
| | | |
| Non-current asset investments | 2,006 | 1,936 |
| Receivables and other current assets | 85 | 76 |
| Non-current liabilities | 802 | 849 |
| Current liabilities | 323 | 323 |

**Note 30. Related parties, continued**

| **Other group entities** | **2023 mDKK** | **2022 mDKK** |
|---|---|---|
| Income | 79 | 76 |
| Expenses | 90 | 115 |
| | | |
| Non-current asset investments | 0 | 0 |
| Receivables (mainly receivables from subsidiaries) | 9 | 8 |
| Liabilities other than provisions | 7 | 6 |

| | **2023 mDKK** | **2022 mDKK** |
|---|---|---|
| Salary and remuneration for management and key personnel | 8 | 7 |
| Distributed among: | | |
| Salary and pensions | 7 | 6 |
| Share-based payment | 1 | 1 |

The board of directors has not received any remuneration from the company. The company's expenses for the Executive Board are covered by a management fee paid to the parents.

It has been proposed to distribute dividends to the parent, Telenor Danmark Holding A/S, of 650 mDKK (2022: 260 mDKK).

### Note 31. Events after the balance sheet date

No events have occurred after the balance sheet date which would affect the evaluation of this annual report.

### Note 32. Remuneration to the auditor elected by the general meeting

For information about the company's expenses for audit fee and other services from the company auditor, please refer to the annual report of the company's ultimate parent, Telenor ASA, Fornebu.

### Note 33. Approval of the annual report for publication

At a board meeting held on 27 June 2024, the Board of Directors approved this annual report for publication. The annual report will be presented for approval of the shareholders of Telenor A/S at the annual general meeting on 27 June 2024.

# Verification

Transaction 09222115557521163046

## Document

**Telenor AS Annual Report 2023 Final version 24.06.24**
Main document
62 pages
*Initiated on 2024-06-27 11:44:44 CEST (+0200) by Anne-Sofie Korsbjerg (AK)*
*Finalised on 2024-06-28 15:54:34 CEST (+0200)*

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