

# 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 2022  
27th financial year

*Adopted by the Company's Annual General Meeting  
on 7 June 2023*



.....  
*chairman*



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## 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 2022.

The annual report is presented in accordance with International Financial Reporting 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 2022 and the results of the company's activities and cash flows for the financial year 1 January – 31 December 2022.

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, 7 June 2023

Executive Board:



.....  
Lars Thomsen

Board of Directors:



.....  
Petter-Børre Furberg  
Chairman



.....  
John Sebastian Schmidt  
Slørdahl



.....  
Cecilie Blydt Heuch



.....  
Nikolai Nørnberg Nielsen  
Employee representative



.....  
Jens Gram Larsen  
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 2022, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with International Financial Reporting 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 2022 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2022 in accordance with International Financial Reporting 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 the work we have performed, 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 International Financial Reporting 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.

## INDEPENDENT AUDITORS' REPORT

- 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, 7 June 2023

EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Søren Skov Larsen  
State Authorised Public Accountant  
mne26797



Allan Nørgaard  
State Authorised Public Accountant  
mne35501

## **MANAGEMENT'S REVIEW**

### **Company information**

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

Municipality: Copenhagen

### **Board of Directors**

Petter-Børre Furberg, Chairman  
John Sebastian Schmidt Slørdahl  
Cecilie Blydt Heuch  
Nikolai Nørnberg Nielsen, Employee representative  
Jens Gram Larsen, 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



## MANAGEMENT'S REVIEW, CONTINUED

### Financial highlights

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

		2022	2021	2020	2019	2018
<b>INCOME STATEMENT</b>						
Revenue	mDKK	4,013	3,914	3,690	3,775	3,943
Operating profit before depreciation amortisation and impairment (EBITDA)	mDKK	968	998	869	817	705
Operating profit (EBIT)	mDKK	291	312	199	110	83
Financial income and expenses	mDKK	-27	28	447	967	179
Profit/loss before tax	mDKK	264	340	646	1,077	262
Net income for the year	mDKK	209	214	606	818	211
<b>BALANCE SHEET</b>						
Balance sheet total	mDKK	5,518	6,131	9,312	9,354	8,429
Intangible assets	mDKK	182	185	200	240	825
Right-of-use assets	mDKK	1,384	1,274	1,151	1,160	-
Tangible assets	mDKK	1,630	1,524	1,485	1,541	1,781
Equity	mDKK	1,801	2,586	5,967	5,361	4,547
<b>KEY FIGURES AND RATIOS</b>						
EBITDA in percentage of revenue		24 %	25 %	24 %	22 %	18 %
Non-current asset investments	mDKK	616	457	388	335	382
Solvency ratio		33 %	42 %	64 %	57 %	54 %
Average number of employees		1,014	1,102	1,238	1,329	1,473

See note 2 for definitions of key figures and ratios.

The financial highlights for 2019 - 2022 reflect the figures according to leasing standard IFRS16. Comparative figures for 2018 have not been restated.

## MANAGEMENT'S REVIEW, CONTINUED

### Primary activity

Telenor A/S is the second largest mobile and fixed broadband operator serving the Danish market.

Telenor offers mobile phone and mobile data communication to private individuals, businesses as well as to wholesale customers. Telenor also develops services to other mobile operators, content providers and internet providers who market mobile services under their own brands in Denmark.

In 2022 Telenor markets its activities through the Telenor main brand as well as the sub brand CBB Mobil.

Telenor's mobile telecommunications activity is mainly based on GSM (2G), UMTS (3G), LTE (4G) and now 5G technology. Together, these technologies make up Telenor's mobile network which carries different forms of voice and data traffic.

In addition, Telenor offers internet and broadband solutions as well as traditional landline telephone services to businesses and private individuals. The primary business areas include broadband products based on DSL, Coax and fibre technology, home-based work and gross salary concepts, security and WAN solutions as well as telephone service.

Telenor mainly performs sales and distribution through own stores and outlets throughout Denmark at central locations on high streets and in major shopping centres, but also through retail partnerships in larger electronical multistores. Telenor also realises a significant part of its sales through Customer Service and established web channels.

Telenor A/S uses the network owned via the TT Netværket P/S joint-operation company which handles the expansion, operations and maintenance of the networks. This ensures optimal experience for the company's customers.

## MANAGEMENT'S REVIEW, CONTINUED

### Activity in 2022, Network

Our customers demands and deserves a mobile network that is futureproof and as reports show that data consumption grew by 24% in 2022 compared to 2021, the need for further upgrades and modernization of the mobile network continued in 2022.

- After completing an upgrade of almost 1,000 sites with 5G availability in 2021, a further 1,268 sites have been upgraded in 2022.
- In order to secure sufficient capacity in the network for 4G and 5G the decommission of UMTS (3G) technology has continued in 2022 and will be fully completed in 2023.

Furthermore, a Power Purchase Agreements (PPA) for Telenor's operations in Denmark were entered into through TT-Netværket. The PPA is for 10 years and is based on solar energy and will power the operations of our shared network with Telia. The solar park is expected to be completed and operational by end of 2024. In addition to securing green energy, the PPAs will also provide predictable energy cost levels.

### Activity in 2022, Commercial

In a very competitive market Telenor has maintained the mobile subscription customer base and increased the number of broadband customers.

In 2021 Telenor launched a new brand platform, Denmark's Bedste. Building on this platform continued in 2022 and Telenor has continued to address the rising expectations and awareness within cyber security and has taken a solid position in the market as the Telco that provides security and safety in everyday life.

Within the business segment Telenor continued the focus on utilizing the Network for IOT services and also offering relevant security products and managed services.

Telenor has also continued the execution on its ambition of full digitization of all processes and automation of network operations.

### **Material issues during the reporting period**

The financial result for 2022 is negatively impacted by the outcome of the High Court ruling in favor of Økonomistyrelsen (the Ministry of Finance) related to dispute of Telenor pricing of services to Økonomistyrelsen after the contract period ended (services delivered from May 2018 to April 2019). In 2021, Telenor appealed the decision from District Court with clear expectation that the High Court ruling would have a significant changed outcome, however the High Court confirmed the ruling in favor of Økonomistyrlsen.

### **Development in activities and finances**

2022 was a good year for Telenor Denmark with accelerated growth and an EBITDA ratio of 24%.

Telenor's revenue increased by 2,5% to 4,013 mDKK. Revenue was positively impacted by increased ARPU in Consumer and CBB, improved Beyond Connectivity sales and new customer signings in B2B. This was partly offset by loss of Consumer and CBB subscribers and impacted by a reversal of DKK 45 million in service revenues. The reversal follows negative outcome of a contractual dispute with Økonomistyrelsen (the Ministry of Finance) related to revenues recognized from May 2018 to April 2019.

The number of Telenor mobile subscribers customers was 1,646 million at the end of 2022 against 1,645 million at the end of 2021. Broadband customers in Telenor totalled 116,000 at the end of 2021 against 114,000 the previous year.

Earnings measured before interest, tax, depreciation, and amortisation (EBITDA) amounted to 968 mDKK, corresponding to 24% of the revenue. That is a slight decline compared to 2021 EBITDA of 998 mDKK and negatively impacted by negative outcome from dispute with Økonomistyrelsen (the Ministry of Finance), increased cost due to higher inflation - especially higher energy cost that increased by 125% YoY.

The Danish operation continues the simplifying and efficiency improvements, while also strengthening customer offerings. All long-term initiatives are made to ensure a healthy organization and to generate future growth.

The profit for the year before tax was 264 mDKK against 340 mDKK last year.

In 2022, Telenor's investments totalled 892 mDKK including Spectrum licenses and other right of use assets (2021: 857 mDKK) and was prioritised towards network and IT investments.

## **MANAGEMENT'S REVIEW, CONTINUED**

### **Development in activities and finances, continued**

Telenor had 1,014 employees on average in 2022 against 1,102 in 2021.

### **The year's performance measured against expectations in previous years**

Revenue increased 2,5% compared to 2021, in line with last year's expectations, however gross profit level is below last year and expectation for the year, explained by reversal of revenue due to outcome of dispute with Økonomistyrelsen and higher energy cost.

### **Dividends**

The Board of Directors recommends that the general meeting adopts a resolution to distribute dividends of 0 mDKK (2020: 1.000 mDKK).

### **Capital structure**

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

### **Future outlook**

In 2023 Telenor expects to deliver profitable growth, with single digit increase in revenue and EBITDA profit level.

### **Post balance sheet events**

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

## MANAGEMENT'S REVIEW, CONTINUED

### CSR report

Corporate Social Responsibility or CSR 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 CSR area are reported in Telenor Group's Sustainability report for 2022, which constitutes Telenor A/S' statutory statement according to §99a.

Link to Telenor Group's Sustainability report for 2022:

<https://www.telenor.com/binaries/investors/reports-and-information/annual/annual-report-2022/Annual%20Report%202022.pdf#page=32>

Telenor's CSR 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 projects related to CSR ranging from donations of IoT sim cards to the Danish Heart Associations defibrillators to ensure operability in all circumstances and thereby saving lives of persons suffering heart attack, to focusing on digital bullying through our #digitalpænt campaign targeting children in 4<sup>th</sup> to 6<sup>th</sup> grade. In 2022 we arranged a #digitalpænt school competition, with more than 8500 registered children. In 2022 we also donated 20.000 free sim cards to refugees from Ukraine together with the other tele operators in 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.

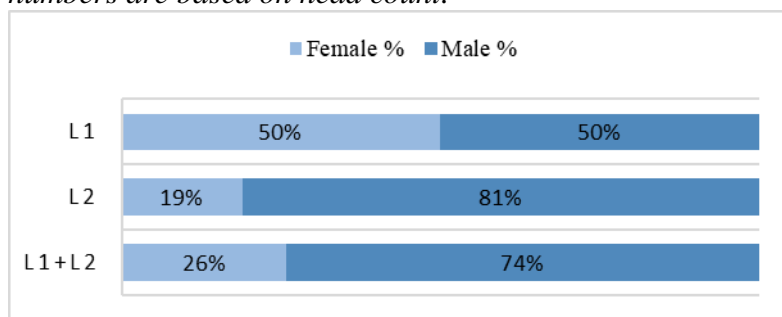
## MANAGEMENT'S REVIEW, CONTINUED

### Report on gender composition in management, continued

The Board of Directors (members elected by the general assembly) consist of 2 men (67%) and 1 woman (33%). The Board included 4 members in 2021 (50% female and 50% male members), however the Board has been reduced to only 3 members in 2022. The target will continue to be to have a balanced composition.

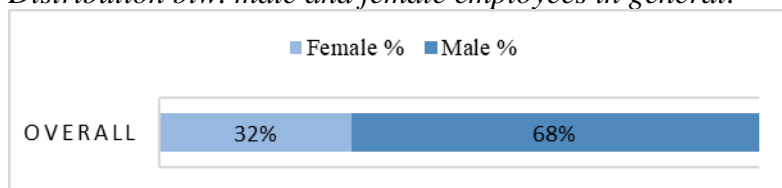
The factual situation concerning equality in Telenor A/S end of 2022 is presented here:

*Distribution btw. male and female senior managers in Telenor (L1 is CxO level, L2 is CxO-1). The numbers are based on head count.*



The ambition towards 2025 is to have 35% female senior managers. To achieve this ambition Telenor will continue working systematically towards an inclusive culture through various initiatives and learning programmes and measure psychological safety and inclusion via employee surveys.

*Distribution btw. male and female employees in general:*



### 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.

## MANAGEMENT'S REVIEW, CONTINUED

### 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 4200 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.

### Climate and environment

Telenor 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

In 2022 our scope 1 and 2 emissions increased by 10,5% compared to the previous year, not least because of increased activity on our network. In order to address our scope 2 GHG emissions sustainably, we have in 2022 entered into a long-term Power Purchase Agreement (PPA) with better Energy which will add large amounts of renewable energy to the Danish energy grid. The PPA is based on a solar energy plant, which will be operational by the end of 2024 and cover around 75% of the energy consumption in our network.



## MANAGEMENT'S REVIEW, CONTINUED

### 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 has formed a data ethics policy, that stipulates how Telenor takes responsibility for and works with data ethics and data use. 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.

Telenor's work with data ethics is based on Telenor's values and the Data Ethics Compass from the Data Ethics Council and has a special focus on data ethical principles, including accountability and orderliness. Against this background, Telenor's policy for data governance and data ethics establishes the following 6 guiding principles:

- Data from customers, employees or partners will not be processed without the necessary legal basis
- Telenor undertakes to ensure transparency in the processing of collected data
- Telenor safeguards the security when processing personal data and other data and ensures that this data is not stored for a longer period than is necessary for the purposes for which the data is processed.
- Only necessary data is collected and for a clearly defined purpose only
- When collecting and analyzing data, the possibility of unintended results is always considered
- Attention is drawn to ethical challenges that may arise using machine learning and algorithms

## MANAGEMENT'S REVIEW, CONTINUED

### **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	2022 mDKK	2021 mDKK
Revenue	4	4,013	3,914
Transmission costs and cost of sales		-1,781	-1,622
Staff expenses	5	-533	-542
Other external costs		-719	-714
Other operating expenses'	6	<u>-13</u>	<u>-38</u>
<b>Operating profit before depreciation, amortisation and impairment (EBITDA)</b>		<b>968</b>	<b>998</b>
Depreciation, amortisation and impairment losses	7	<u>-677</u>	<u>-686</u>
<b>Operating profit (EBIT)</b>		<b>291</b>	<b>312</b>
Dividend from subsidiaries		0	1,800
Impairment losses from shares in subsidiaries	14	0	-1,799
Financial income	8	46	62
Financial expenses	9	<u>-73</u>	<u>-35</u>
<b>Profit/loss before tax</b>		<b>264</b>	<b>340</b>
Tax on the income for the year	10	<u>-55</u>	<u>-126</u>
<b>NET INCOME FOR THE YEAR</b>		<b><u>209</u></b>	<b><u>214</u></b>
<b>Proposed distribution of net profit:</b>			
Proposed dividend		0	1,000
Retained earnings		<u>209</u>	<u>-786</u>
		<b><u>209</u></b>	<b><u>214</u></b>

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

	Note	2022 mDKK	2021 mDKK
Net income for the year		209	214
Other comprehensive income		<u>6</u>	<u>5</u>
<b>Total comprehensive income</b>		<b><u>215</u></b>	<b><u>219</u></b>

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

	Note	2022 mDKK	2021 mDKK
<b>ASSETS</b>			
Software	11	146	131
Software in progress	11	<u>36</u>	<u>54</u>
<b>Intangible assets</b>		<b><u>182</u></b>	<b><u>185</u></b>
Land and buildings	12	257	222
Plant and machinery	12	336	314
Other fixtures and fittings, tools and equipment	12	5	11
License fees and rights	12	<u>786</u>	<u>727</u>
<b>Right-of-use assets</b>		<b><u>1,384</u></b>	<b><u>1,274</u></b>
Land and buildings	13	159	149
Plant and machinery	13	1,196	1,107
Other fixtures and fittings, tools and equipment	13	138	151
Tangible assets in progress	13	<u>137</u>	<u>117</u>
<b>Tangible assets</b>		<b><u>1,630</u></b>	<b><u>1,524</u></b>
Investments in subsidiaries	14	129	129
Deposits		26	25
Contract acquisition costs		137	138
Deferred tax assets	19	<u>122</u>	<u>157</u>
<b>Financial assets</b>		<b><u>414</u></b>	<b><u>449</u></b>
<b>NON-CURRENT ASSETS</b>		<b><u>3,610</u></b>	<b><u>3,432</u></b>
<b>Inventories</b>	16	<b><u>112</u></b>	<b><u>109</u></b>
Trade receivables	17	1,128	1,075
Receivables from group entities		462	553
Other receivables	15	15	773
Pre-paid costs		<u>152</u>	<u>149</u>
<b>Receivables</b>		<b><u>1,757</u></b>	<b><u>2,550</u></b>
<b>Cash and cash equivalents</b>	28	<b><u>39</u></b>	<b><u>40</u></b>
<b>CURRENT ASSETS</b>		<b><u>1,908</u></b>	<b><u>2,699</u></b>
<b>TOTAL ASSETS</b>		<b><u><u>5,518</u></u></b>	<b><u><u>6,131</u></u></b>

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

	Note	2022 mDKK	2021 mDKK
<b>EQUITY AND LIABILITIES</b>			
Share capital	18	605	605
Reserve for development costs capitalized		117	128
Retained earnings		1,079	853
Proposed dividend distribution		<u>0</u>	<u>1,000</u>
<b>EQUITY</b>		<b><u>1,801</u></b>	<b><u>2,586</u></b>
Lease liabilities		328	302
Payables to group entities	22	1,398	1,382
Provisions	20	165	167
Deposits		8	8
Other interest-bearing liabilities	25	<u>532</u>	<u>453</u>
<b>Non-current liabilities</b>		<b><u>2,431</u></b>	<b><u>2,312</u></b>
Lease liabilities		153	128
Current maturities of other interest-bearing liabilities	25	35	34
Current maturities of provisions	20	9	15
Prepayments received from customers		104	96
Trade payables	21	708	731
Payables to group entities	22	147	147
Other payables	23	<u>130</u>	<u>82</u>
<b>Current liabilities</b>		<b><u>1,286</u></b>	<b><u>1,233</u></b>
<b>LIABILITIES</b>		<b><u>3,717</u></b>	<b><u>3,345</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u><u>5,518</u></u></b>	<b><u><u>6,131</u></u></b>

## STATEMENT OF CHANGES IN EQUITY

	<u>Share capital mDKK</u>	<u>Retained earnings mDKK</u>	<u>Reserve for development costs capitalised mDKK</u>	<u>Dividends distributed mDKK</u>	<u>Total mDKK</u>
<b>Equity at 01.01.2021</b>	<b>605</b>	<b>1,616</b>	<b>146</b>	<b>3,600</b>	<b>5,967</b>
Net income for the year	0	214	0	0	214
Reserve for development costs capitalized	0	18	-18	0	0
Dividends distributed	0	0	0	-3,600	-3,600
Dividends proposed	0	-1,000	0	1,000	0
Other comprehensive income	<u>0</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>5</u>
<b>Comprehensive income for the year</b>	<b><u>0</u></b>	<b><u>-763</u></b>	<b><u>-18</u></b>	<b><u>-2,600</u></b>	<b><u>-3,381</u></b>
<b>Equity at 31.12.2021</b>	<b><u>605</u></b>	<b><u>853</u></b>	<b><u>128</u></b>	<b><u>1,000</u></b>	<b><u>2,586</u></b>
<b>Equity at 01.01.2022</b>	<b>605</b>	<b>853</b>	<b>128</b>	<b>1,000</b>	<b>2,586</b>
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	<u>0</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>6</u>
<b>Comprehensive income for the year</b>	<b><u>0</u></b>	<b><u>226</u></b>	<b><u>-11</u></b>	<b><u>-1,000</u></b>	<b><u>-785</u></b>
<b>Equity at 31.12.2022</b>	<b><u>605</u></b>	<b><u>1,079</u></b>	<b><u>117</u></b>	<b><u>0</u></b>	<b><u>1,801</u></b>

## CASH FLOW STATEMENT

	Note	2022 mDKK	2021 mDKK
Profit/loss before tax		264	340
Reversal of depreciation, amortisation and impairment losses		677	686
Reversal of impairment on subsidiaries		0	1,799
Reversal dividend income		0	-1,800
Reversal of interest income and interest expenses		41	10
Reversal of profit/loss on sale of non-current assets		-3	7
Other non-cash items		7	55
Working capital changes	27	53	-61
Tax paid		<u>-20</u>	<u>-24</u>
<b>Operating cash flows</b>		<b><u>1,019</u></b>	<b><u>1,012</u></b>
Repayments on non-current receivables		751	1,484
Purchase, etc. of tangible and intangible assets		-616	-457
Sale of tangible and intangible assets		0	19
Dividend received		0	1,800
Disposals and other investing cash flows		<u>0</u>	<u>0</u>
<b>Investment cash flows</b>		<b><u>135</u></b>	<b><u>2,846</u></b>
Proceeds from borrowings		2	2
Repayment of non-current payables to group entities		0	0
Dividend paid		-1,000	-3,600
Increase of loans to group entities		17	-88
Reduction of other non-current payables		<u>-176</u>	<u>-169</u>
<b>Financing cash flows</b>		<b><u>-1,155</u></b>	<b><u>-3,855</u></b>
<b>Change in cash and cash equivalents</b>		<b><u>-1</u></b>	<b><u>3</u></b>
Cash at 01.01.		<u>40</u>	<u>37</u>
<b>Cash at 31.12.</b>	28	<b><u>39</u></b>	<b><u>40</u></b>

## NOTES

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## NOTES

### **Note 1. Summary of significant accounting policies**

The 2022 annual report for Telenor A/S is presented in accordance with the International Financial Reporting 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.

The company has decided not to prepare consolidated financial statements with the 100 % owned subsidiaries Tn Finance A/S and Telenor Digital Holding Inc. with reference to IFRS 10.4 as the company is part of the IFRS consolidated financial statements of the company's ultimate parent, 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.

## NOTES

### **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), UMTS (3G) and 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.

## NOTES

### 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 indicators 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.

## NOTES

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.

## NOTES

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.

### 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.

## NOTES

### **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.

## NOTES

### **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 triggering events, 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.

## NOTES

### BALANCE SHEET

#### Intangible assets

##### 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.

##### Licences

Licences and other rights are measured at cost less accumulated amortisation and impairment losses and are amortised over the estimated useful life. However, intangible assets with indefinite useful lives are not amortised but are tested annually for impairment.

The licences are amortised from the date of initial use and over the remaining licence period. In 2022 new licenses has been acquired in network joint venture.



## NOTES

### **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.

## NOTES

### **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 triggering events, 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 are initially measured at cost and subsequently at amortised cost or a lower value subject to an individual assessment of the exposure to loss. Telenor A/S applies the IFRS 9 simplified approach to measuring expected credit losses which use a 12-month expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due.

## NOTES

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.

## NOTES

### 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 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. 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.

Other liabilities are measured at net realisable value.

## NOTES

### 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:

## NOTES

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

#### Licence 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.

#### 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.

#### Valuation of investments in subsidiaries

The carrying amounts of subsidiaries is tested at triggering events, including if the dividends received exceed the profit realised by the equity investment entity in the period. See note 14 for assumptions underlying this assessment.

#### 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.

## NOTES

### 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:

	<b>2022</b> <b>mDKK</b>	<b>2021</b> <b>mDKK</b>
Mobile telephony	3,624	3,546
Broadband and landline services	<u>389</u>	<u>368</u>
	<u><u>4,013</u></u>	<u><u>3,914</u></u>

### Note 5. Staff expenses

	<b>2022</b> <b>mDKK</b>	<b>2021</b> <b>mDKK</b>
Salaries and wages	524	535
Defined contribution plans	45	47
Other expenses for social security	6	6
Other staff expenses	17	18
Work performed by the enterprise and capitalised	<u>-59</u>	<u>-64</u>
	<u><u>533</u></u>	<u><u>542</u></u>
Average number of employees	<u><u>1,014</u></u>	<u><u>1,102</u></u>

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.

## NOTES

### Note 6. Other operating expenses

	2022 mDKK	2021 mDKK
Losses/gains on disposal and retirement of non-current assets	-1	7
Restructuring and onerous contracts	<u>14</u>	<u>31</u>
	<u>13</u>	<u>38</u>

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

	2022 mDKK	2021 mDKK
Depreciation of tangible assets	357	337
Amortisation of intangible assets	99	117
Amortisation of ROU assets	<u>221</u>	<u>232</u>
	<u>677</u>	<u>686</u>

### Note 8. Financial income

	2022 mDKK	2021 mDKK
Interest income concerning receivables	46	62
Exchange rate profit and losses, net	<u>0</u>	<u>0</u>
	<u>46</u>	<u>62</u>

### Note 9. Financial expenses

	2022 mDKK	2021 mDKK
Interest expenses for group entities	17	0
Interest expenses on lease liabilities	9	8
Other financial expenses	46	26
Exchange rate gains and losses, net	<u>1</u>	<u>1</u>
	<u>73</u>	<u>35</u>



## NOTES

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

	2022 mDKK	2021 mDKK
Current withholding tax and corporation tax	-20	-31
Tax from previous years	0	0
Change in deferred tax	<u>-35</u>	<u>-95</u>
	<u>-55</u>	<u>-126</u>

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

Profit/loss before tax	264	340
Tax at a tax rate of 22 %	-58	-74
Adjustment for previous years	3	-52
Tax base of other non-taxable income	0	396
Tax base of non-taxable costs	<u>0</u>	<u>-396</u>
Tax on the profit for the year	<u>-55</u>	<u>-126</u>
Effective tax rate for the year	<u>21%</u>	<u>37%</u>

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.

## NOTES

### Note 11. Intangible assets

	<u>Software mDKK</u>	<u>Software in progress mDKK</u>	<u>Total mDKK</u>
<b>Cost</b>			
Cost at 01.01.21	1,178	40	1,218
Reclassification	<u>0</u>	<u>0</u>	<u>0</u>
	1,178	40	1,218
Additions	88	14	102
Disposals	<u>-451</u>	<u>0</u>	<u>-451</u>
<b>Cost at 31.12.21</b>	<b><u>815</u></b>	<b><u>54</u></b>	<b><u>869</u></b>
<b>Amortisation and impairment losses</b>			
Amortisation and impairment losses 01.01.21	-1,018	0	-1,018
Reclassification	<u>0</u>	<u>0</u>	<u>0</u>
	-1,018	0	-1,018
Amortisation for the year	-117	0	-117
Reversal of disposals	<u>451</u>	<u>0</u>	<u>451</u>
<b>Amortisation and impairment losses at 31.12.21</b>	<b><u>-684</u></b>	<b><u>0</u></b>	<b><u>-684</u></b>
<b>Carrying amount at 31.12.21</b>	<b><u>131</u></b>	<b><u>54</u></b>	<b><u>185</u></b>

## NOTES

### Note 11. Intangible assets, continued

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

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

## NOTES

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

	<b>Land and buildings mDKK</b>	<b>Plant and machinery mDKK</b>	<b>Other fixture, fittings tools and equipment mDKK</b>	<b>Licenses and rights mDKK</b>	<b>Total mDKK</b>
<b>Cost</b>					
Balance at 01.01.21	404	665	24	1,219	2,312
Reclassification	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	404	665	24	1,219	2,312
Additions	19	49	3	288	359
Disposals	<u>-11</u>	<u>0</u>	<u>-4</u>	<u>-11</u>	<u>-26</u>
<b>Cost at 31.12.21</b>	<b><u>412</u></b>	<b><u>714</u></b>	<b><u>23</u></b>	<b><u>1,496</u></b>	<b><u>2,645</u></b>
<b>Depreciation and impairment losses</b>					
Depreciation and impairment losses 01.01.21	-129	-323	-9	-699	-1,162
Reclassification	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	-129	-323	-9	-699	-1,162
Depreciation for the year	-66	-80	-6	-81	-232
Reversal of disposals	<u>4</u>	<u>3</u>	<u>3</u>	<u>11</u>	<u>22</u>
<b>Depreciation and impairment losses at 31.12.21</b>	<b><u>-191</u></b>	<b><u>-400</u></b>	<b><u>-12</u></b>	<b><u>-769</u></b>	<b><u>-1,372</u></b>
<b>Carrying amount at 31.12.21</b>	<b><u>222</u></b>	<b><u>314</u></b>	<b><u>11</u></b>	<b><u>727</u></b>	<b><u>1,274</u></b>

## NOTES

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

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

For operating lease payments during the year, see note 24.

## NOTES

### Note 13. Tangible assets

	<u>Land and buildings mDKK</u>	<u>Plant and machinery mDKK</u>	<u>Other fixture, fittings tools and equipment mDKK</u>	<u>Tangible assets in progress mDKK</u>	<u>Total mDKK</u>
<b>Cost</b>					
Balance at 01.01.21	367	3,611	300	146	4,424
Reclassification	<u>3</u>	<u>23</u>	<u>14</u>	<u>-40</u>	<u>0</u>
	370	3,634	314	107	4,424
Additions	9	283	94	10	396
Disposals	<u>-63</u>	<u>-406</u>	<u>-159</u>	<u>0</u>	<u>-628</u>
<b>Cost at 31.12.21</b>	<b><u>316</u></b>	<b><u>3,511</u></b>	<b><u>249</u></b>	<b><u>117</u></b>	<b><u>4,192</u></b>
<b>Depreciation and impairment losses</b>					
Depreciation and impairment losses 01.01.21	-205	-2,514	-220	0	-2,939
Reclassification	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	-205	-2,514	-220	0	-2,939
Depreciation for the year	-8	-292	-37	0	-337
Reversal of disposals	<u>46</u>	<u>402</u>	<u>159</u>	<u>0</u>	<u>607</u>
<b>Depreciation at 31.12.21</b>	<b><u>-167</u></b>	<b><u>-2,404</u></b>	<b><u>-98</u></b>	<b><u>0</u></b>	<b><u>-2,699</u></b>
<b>Carrying amount at 31.12.21</b>	<b><u>149</u></b>	<b><u>1,107</u></b>	<b><u>151</u></b>	<b><u>117</u></b>	<b><u>1,524</u></b>

## NOTES

### 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
<b>Cost</b>					
Balance at 01.01.22	316	3,511	249	117	4,193
Reclassification	<u>5</u>	<u>11</u>	<u>22</u>	<u>-38</u>	<u>0</u>
	321	3,522	271	79	4,193
Additions	15	361	30	58	464
Disposals	<u>-1</u>	<u>-575</u>	<u>-42</u>	<u>0</u>	<u>-618</u>
<b>Cost at 31.12.22</b>	<b><u>335</u></b>	<b><u>3,308</u></b>	<b><u>259</u></b>	<b><u>137</u></b>	<b><u>4,039</u></b>
<b>Depreciation and impairment losses</b>					
Depreciation and impairment losses 01.01.22	-167	-2,404	-98	0	-2,699
Reclassification	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	-167	-2,404	-98	0	-2,699
Depreciation for the year	-10	-282	-65	0	-357
Reversal of disposals	<u>1</u>	<u>574</u>	<u>42</u>	<u>0</u>	<u>617</u>
<b>Depreciation at 31.12.22</b>	<b><u>-176</u></b>	<b><u>-2,112</u></b>	<b><u>-121</u></b>	<b><u>0</u></b>	<b><u>-2,409</u></b>
<b>Carrying amount at 31.12.22</b>	<b><u>159</u></b>	<b><u>1,196</u></b>	<b><u>138</u></b>	<b><u>137</u></b>	<b><u>1,630</u></b>

### Note 14. Investments in subsidiaries

	2022 mDKK	2021 mDKK
Acquisition price at 01.01.	3,318	3,318
Additions	0	0
Disposals	<u>0</u>	<u>0</u>
Acquisition price at 31.12.	3,318	3,318

## NOTES

### Note 14. Investments in subsidiaries, continued

	2022 mDKK	2021 mDKK
Impairment losses at 01.01.	-3,189	-1,390
Impairment for the year / reversal of impairment	0	-1,799
Disposal of impairment	<u>0</u>	<u>0</u>
Impairment losses at 31.12.	-3,189	-3,189
Carrying amount at 31.12.	<u>129</u>	<u>129</u>

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

	<u>Registered Office</u>	<u>Ownership share</u>	<u>Share of voting rights</u>	<u>Activity</u>
Tn Finance A/S	Denmark	100 %	100 %	Other financial services
Telenor Digital Holding Inc.	USA	100 %	100 %	Investments digital services
		<u>Net Income for the year</u>	<u>Equity</u>	
Tn Finance A/S		0	129	
Telenor Digital Holding Inc.		-11	-214	

Investments in subsidiaries are measured at cost. If the cost exceeds the recoverable amount, it is impaired to this lower amount. The recoverable amount is based on the value in use which is determined by applying the expected cash flows on the basis of management-approved business plans covering a total period of three years. Beyond this period, a constant nominal growth rate applies. Key assumptions applied in the calculation of the recoverable amount are expected growth rates, EBIDTA margins, investments and discount rate.

In 2021 impairment testing resulted in an impairment on the investment in Tn Finance A/S of 1,799 mDKK equal to dividend paid from the subsidiary.

### Note 15. Interest-bearing receivables

Non-current and current interest-bearing receivables include 0 mDKK (2021: 752 mDKK) deferred sale consideration receivable from PFF Group for the sale of shares in Telenor Serbia. The receivable, which is guaranteed, may be repaid in one installment with a discount or is otherwise repayable in four equal installments plus interest.



## NOTES

### Note 16. Inventories

	2022 mDKK	2021 mDKK
Goods for resale	<u>112</u>	<u>109</u>
<b>Inventories at 31.12.</b>	<u><u>112</u></u>	<u><u>109</u></u>
Impairment losses on goods for resale to net realisable value for the year	<u>0</u>	<u>2</u>

### Note 17. Trade receivables

Trade receivables before impairment losses	1,136	1,077
Return good asset	0	0
Contract asset	29	22
Impairment for expected losses	<u>-25</u>	<u>-24</u>
Trade receivables	<u><u>1,140</u></u>	<u><u>1,075</u></u>

### Age analysis of trade receivables

*Receivables for which no impairment losses have been realised*

Not due	1,020	966
Overdue by 1 – 179 days	60	54
Overdue by 180 – 359 days	17	6
Overdue by more than 360 days	<u>43</u>	<u>50</u>
	1,140	1,075
Impairment for probable losses	<u>25</u>	<u>24</u>
Trade receivables (gross)	<u><u>1,165</u></u>	<u><u>1,099</u></u>

### Development in impairment for losses

Impairment losses at year-start	24	30
Changes in the period	<u>1</u>	<u>-6</u>
Impairment losses at year-end	<u><u>25</u></u>	<u><u>24</u></u>

The company's aggregate credit risk amounts to 1,140 mDKK (2021: 1,075 mDKK).

## NOTES

	<b>2022</b> <b>mDKK</b>	<b>2021</b> <b>mDKK</b>
<b>Note 18. Share capital</b>		
Share capital at 01.01.	605	605
Capital increase	<u>0</u>	<u>0</u>
Share capital at 31.12.	<u>605</u>	<u>605</u>

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:

	<u>2022</u> <u>mDKK</u>	<u>2021</u> <u>mDKK</u>	<u>2020</u> <u>mDKK</u>	<u>2019</u> <u>mDKK</u>	<u>2018</u> <u>mDKK</u>
Share capital	605	605	605	605	605

	<b>2022</b> <b>mDKK</b>	<b>2021</b> <b>mDKK</b>
<b>Note 19. Deferred tax assets</b>		
Deferred tax asset at 01.01.	157	252
Change in deferred tax recognised in the income statement	<u>-35</u>	<u>-95</u>
Deferred tax asset at 31.12.	<u><u>122</u></u>	<u><u>157</u></u>

	<u>01.01.21</u> <u>mDKK</u>	<b>Recognised in</b> <b>inc. statement</b> <u>mDKK</u>	<u>31.12.21</u> <u>mDKK</u>
Non-current assets	141	-123	18
Current assets	-31	-1	-32
Non-current liabilities	3	37	40
Current liabilities	3	31	34
Loss carry forward	<u>136</u>	<u>-39</u>	<u>97</u>
	<u><u>252</u></u>	<u><u>-95</u></u>	<u><u>157</u></u>

## NOTES

### Note 19. Deferred tax assets, continued

	<b>01.01.22</b> <b>mDKK</b>	<b>Recognised in</b> <b>inc. statement</b> <b>mDKK</b>	<b>31.12.22</b> <b>mDKK</b>
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	<u>97</u>	<u>-16</u>	<u>81</u>
	<u>157</u>	<u>-35</u>	<u>122</u>

### 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.

<b>Provision for restoration:</b>	<b>2022</b> <b>mDKK</b>	<b>2021</b> <b>mDKK</b>
Provisions for restoration costs at 01.01.	167	167
Provisions for the year	-1	3
Realised during the year	<u>-1</u>	<u>-3</u>
Provisions for restoration costs at 31.12.	<u>165</u>	<u>167</u>

## NOTES

### Note 20. Provisions, continued

	<b>2022</b>	<b>2021</b>
	<b>mDKK</b>	<b>mDKK</b>
<b>Provision for repairs:</b>		
Provisions for repair costs at 01.01.	9	10
Provisions for the year	0	0
Realised during the year	<u>-1</u>	<u>-1</u>
Provisions for repair costs at 31.12.	<u>8</u>	<u>9</u>
<b>Provisions for restructuring – non-current element:</b>		
Non-current element of restructuring at 01.01.	0	0
Provisions for staff reductions and onerous contracts	0	0
Reclassified to current element	<u>0</u>	<u>0</u>
Provisions for restructuring at 31.12.	<u>0</u>	<u>0</u>
<b>Provisions for restructuring – current element:</b>		
Current element of restructuring at 01.01.	3	4
Reclassified from non-current element	0	0
Provisions for staff reductions and onerous contracts	16	31
Realised during the year	<u>-18</u>	<u>-32</u>
Provisions for restructuring at 31.12.	<u>1</u>	<u>3</u>
<b>Total provisions for restructuring at 31.12.</b>	<b><u>1</u></b>	<b><u>3</u></b>
<b>Provision for legal disputes:</b>	<b>mDKK</b>	<b>mDKK</b>
Provisions at 01.01.	3	75
Provisions for the year	0	0
Realised during the year	<u>-3</u>	<u>72</u>
Provisions at 31.12.	<u>0</u>	<u>3</u>

## NOTES

	<b>2022</b> <b>mDKK</b>	<b>2021</b> <b>mDKK</b>
<b>Note 21. Trade payables</b>		
Trade payables	708	731
Refund liability	<u>0</u>	<u>0</u>
	<u>708</u>	<u>731</u>

### Note 22. Payables to group entities

The payables carry floating-rate interest with monthly rate adjustments. For 2022 the interest ranged from 0.29 – 3.41 % p.a. (2021: 0.32 – 0.41 p.a.).

	<b>2022</b> <b>mDKK</b>	<b>2021</b> <b>mDKK</b>
<b>Note 23. Other payables</b>		
VAT and charges	37	16
Salary, payroll taxes, bonus, holiday pay, etc., payable	42	64
Other costs payable	<u>51</u>	<u>2</u>
	<u>130</u>	<u>82</u>

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.

## NOTES

	2022 mDKK	2021 mDKK
<b>Note 24. Operating lease commitments</b>		
Low value leases	1	1
Variable lease payments	<u>26</u>	<u>27</u>
Minimum lease payments recognised in the income statement	<u><u>27</u></u>	<u><u>28</u></u>

Distribution of the aggregate future minimum lease payments under non-cancellable leases:

	<u>Lease of land and buildings</u>
Within one year	22
Within two to five years	5
After five years	<u>0</u>
	<u><u>27</u></u>

## 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.

## NOTES

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

#### *Financial risks*

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.

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

#### *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.

#### *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 +/- 14 mDKK in 2022 (2021: 14 mDKK).

## NOTES

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

#### *Financial liability maturity outline*

2021	<u>Total mDKK</u>	<u>&lt;1 year mDKK</u>	<u>1-3 years mDKK</u>	<u>&gt;3 years mDKK</u>
<b>Interest-bearing liabilities</b>				
Payables to group entities	1,382	0	0	1,382
Lease liabilities	426	124	174	128
Other interest-bearing liabilities	<u>487</u>	<u>34</u>	<u>126</u>	<u>327</u>
<b>Total interest-bearing liabilities</b>	<u>2,295</u>	<u>158</u>	<u>300</u>	<u>1,837</u>
<b>Non-interest-bearing liabilities</b>				
Payables to group entities	147	147	-	-
Trade payables	731	731	-	-
Other payables	<u>82</u>	<u>82</u>	<u>-</u>	<u>-</u>
<b>Total non-interest-bearing liabilities</b>	<u>960</u>	<u>960</u>	<u>0</u>	<u>0</u>
Future interest expenses	0	0	0	0
<b>Total liabilities, including interest expenses</b>	<u>3,255</u>	<u>1,118</u>	<u>300</u>	<u>1,837</u>

#### *Financial liability maturity outline*

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



## NOTES

### 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 purchase orders with suppliers in addition to the items carried in the financial statements at 493 mDKK as of 31 December 2022 (2021: 590 mDKK).

	2022 mDKK	2021 mDKK
<b>Note 27. Working capital changes</b>		
Changes in inventories	-3	18
Changes in receivables	25	60
Changes in other provisions	-4	72
Changes in trade payables	<u>35</u>	<u>-89</u>
	<u>53</u>	<u>61</u>

	2022 mDKK	2021 mDKK
<b>Note 28. Cash and cash equivalents</b>		
Cash and cash equivalents and bank deposits	<u>39</u>	<u>40</u>
	<u>39</u>	<u>40</u>

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

## NOTES

### 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.

### 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 2022, Telenor A/S has had the following transactions and balances with related parties:

<b>Parents</b>	<b>2022 mDKK</b>	<b>2021 mDKK</b>
Income	12	6
Expenses	46	27
Non-current asset investments	0	0
Receivables	454	543
Liabilities other than provisions	1,539	1,507
<b>Subsidiaries</b>	<b>2022 mDKK</b>	<b>2021 mDKK</b>
Income (mainly dividends from subsidiaries)	0	1,800
Expenses	0	0
Non-current asset investments	0	0
Receivables	0	0
Liabilities other than provisions	0	0

## NOTES

### Note 30. Related parties, continued

<b>Other group entities</b>	<b>2022 mDKK</b>	<b>2021 mDKK</b>
Income	76	71
Expenses	115	105
Non-current asset investments	0	0
Receivables (mainly receivables from subsidiaries)	8	10
Liabilities other than provisions	6	22
	<b>2022 mDKK</b>	<b>2021 mDKK</b>
Salary and remuneration for management and key personnel	7	7
Distributed among:		
Salary and pensions	6	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 and Board of Directors 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 0 mDKK (2021: 1,000 mDKK).

## NOTES

### **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 7 June 2023, 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 7 June 2023.

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## Document

### 4.2 Telenor AS Annual Report 2022 final

Main document

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