

Ericsson Danmark A/S

Ørestads Boulevard 108
2300 København S.

CVR-nr. 62 58 08 28

Annual Report for 2023

The Annual Report was presented and adopted at the Annual General Meeting of the Company on June 03, 2024

Chairman

Nils Sixten Emmelin

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Management's Statement on the Annual Report

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Ericsson Denmark A/S for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at December 31, 2023 of the Company and of the results of the Company operations for 2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend that the Annual Report is adopted at the Annual General Meeting.

Copenhagen, June 03, 2024

Executive Board

Kent Johan Niclas Backlund

Board of Directors

Nils Sixten Emmelin

Bengt Erik Kristoffer Hedin

Kent Johan Niclas Backlund

Chairman

Esben Malle

Henning Kaas

Independent Auditor's Report

To the shareholders of Ericsson Danmark A/S

Opinion

We have audited the financial statements of Ericsson Danmark A/S for the financial year 01.01.2023 – 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 – 31.12.2023 in accordance with 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 this auditor's report. We are independent of the Entity 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 03.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Christian Sanderhage
State Authorised Public Accountant
Identification No (MNE) mne23347

Company Information

The Company	Ericsson Danmark A/S Ørestads Boulevard 108 2300 Copenhagen S. Denmark Telephone: 33 88 33 63 Facsimile: 33 88 31 39 Website: www.ericsson.com/dk/ CVR-nr. 62 58 08 28 Financial year: 1 January - 31 December Municipality of reg. office: Copenhagen
Board of Directors	Nils Sixten Emmelin, Chairman Bengt Erik Kristoffer Hedin Kent Johan Niclas Backlund Henning Kaas Esben Malle
Executive Board	Kent Johan Niclas Backlund
Auditors	DELOITTE STATS-AUTORISERET REVISIONSPARTNERSELSKAB
Banks	SE Banken Landemærket 10 DK-1119 Copenhagen
Controlling shareholder	Telefonaktiebolaget L.M. Ericsson S-164 83 Stockholm Sweden

Management's Review

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
	DKK '000,000	DKK '000,000	DKK '000,000	DKK '000,000	DKK '000,000
Revenue	780	1 109	1 124	1 260	481
Operating profit	30	37	27	19	14
Net financials	(1)	2	2	(2)	(3)
Net profit/loss for the year	22	30	22	13	8
Balance sheet total	462	452	475	1 181	682
Equity	159	143	133	111	98
Investment in property, plant and equipment	-	-	-	-	(3)
Average number of employees	140	151	153	171	104
Ratios %					
Profit margin	3.8	3.3	2.4	1.5	2.9
Return on assets	6.5	8.2	5.7	1.6	2.1
Solvency ratio	34.4	31.6	28.0	9.4	14.4

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Primary Activities

2023 was an important year for us at Ericsson Denmark as we managed to deliver on customer projects, commitments and at the same time continued to win important contracts.

In 2023:

1) We continued to support Hi3G in its network modernization by delivering 3G/4G/5G radio equipment as well as transport and IP equipment. In addition, we have supported Hi3G with engineering services for the installation of equipment at sites. The network performance is greatly improving following the network modernization, which can also be seen in independent benchmarking reports.

2) We continue to plan, build, operate and optimize TDC Net's mobile network with great outcomes. The network continues to operate in a stable way whilst introducing automations and proactive improvements. 5G Stand Alone was further implemented, preparing for next generation of 5G services. We also signed an extension contract with TDC Net to continue the delivery of mobile network equipment and operational services for at least another 4 years. Moving forward, we've together committed to taking a leading role in the development and operation of the most sustainable mobile network in Denmark.

3) We extended the 5G network in Greenland with Tusass to provide broadband connectivity to homes and Enterprises, 5G is now live in 13 towns. We are continuing the journey to make all of Greenland wirelessly connected.

4) We have finalized the swap of the core network with Føroya Tele, the full mobile network is now based on Ericsson. Further we have onboarded the second operator on Faroe Islands, Nema, to the Foroya Tele radio network. We look forward to taking the next steps of mobile network evolution on Faroe Islands in 2024.

5) Deliveries to Siminn and Mila, Iceland, continued during the year enabling high quality connectivity for the Icelandic people.

Ericsson is the leading supplier for network solutions and services for mobile networks in Denmark and North Atlantic. We continue to win contracts and deliver leading technology to our partners. Going forward, our focus is to deliver value on top of networks to our customers and we expect to win additional supply and service contracts for mobile networks in the Danish and North Atlantic market.

Market Overview

5G has become available to all smartphone users in Denmark and North Atlantic. We are now at the point where we expect to see 5G also becoming available to drive digitalization of creating never-before-seen opportunities for people and businesses. Faster connectivity speeds, ultra-low latency and greater bandwidth is advancing societies, transforming industries and dramatically enhancing day-to-day experiences. Services that we used to see as futuristic, such as e-health, connected vehicles and traffic systems and advanced mobile cloud gaming have arrived. With 5G technology, we can help create a smarter, safer and more sustainable future.

The telecom market in Denmark continues to be highly competitive and we see a continuous growth of data traffic. 2023 was also the year where fixed wireless offerings based on 5G was launched in the markets effectively competing with fiber to connect houses and Enterprise locations. The response to the service has been great, not only in Denmark but also in North Atlantic.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Development in the year

The past year and follow-up on development expectations from last year

Revenue in 2023 is slightly lower compared to 2022 (2023: 0.780 M DKK; 2022: 1.109 M DKK; 2021: 1.124 M DKK; 2020: 1.260 M DKK) but in line with the expectations on delivery for the year as most of the large roll out projects have concluded in 2022.

Following the revenue trend, also the operating profit has decreased (2023: 30 M DKK; 2022:37 M DKK; 2021:27 M DKK; 2020: 19 M DKK).

Capital resources

Telefonaktiebolaget L.M. Ericsson provides liquidity, when required, to cover the Company's financial needs, so that the future liquidity is ensured.

Special risks - operating and financial risks

Market risks

Considering the macro-economic situation, there are factors that could influence our operations in 2024. In terms of financial risks, the macro situation has stabilized, but the longer-term effects are not known.

Foreign exchange risks

The Company hedge the Balance Sheet, mainly A/R and A/P, with foreign exchange currency transactions or loans for natural hedging, according to Group Directive to safeguard the business margin and reduce P&L volatility.

Interest rate risks

The Company is exposed to interest rate risk through market value fluctuations in certain balance sheet items. The interest rates have gone up during the year and have a corresponding impact this year.

Credit risks

The Company has no material risks in respect of customer receivables. The primary customers are major telecom operators who are not considered to entail special risks. All customers are currently credit rated to avoid losses.

Strategy and objectives

Strategy

It is Ericsson Danmark A/S' strategy to market and sell Ericsson's communication solutions to mobile operators, and in selected cases, to enterprises in Denmark and in the North Atlantic markets. Moreover, Ericsson Danmark A/S provides operations and maintenance of mobile infrastructure as well as service and support activities directed towards the Danish and North Atlantic markets.

Targets and expectations for the year ahead

The Company expects revenues for the year 2024 to be similar to 2023, with an expected variation between 0 %-10%. The operating result is expected to be as well similar to 2023, with an expected variation of $\pm 1\%$.

Related parties

The Company mainly buys telecommunication equipment from the sister Company Ericsson AB for resale. Moreover, the Company is trading with other sister companies in the form of purchase and sale of service and administrative assistance.

The Company sells development, network roll-out and other support services to sister companies. The Company has a credit facility with Telefonaktiebolaget L.M. Ericsson.

All transactions are performed on arms-length conditions.

Statement of corporate social responsibility according to the Danish Financial Statement Act §99a

Integrity and sustainability for long-term value creation

Ericsson was founded on the belief that communication is a basic human need. And for over 145 years, the Company has been a part of transforming lives, industries and society for the better. The Company puts focus on embedding sustainability programs and practices across the organization to deliver positive impact to stakeholders and continues a cultural transformation of integrity-led business. Integrity-led business with a global presence, Ericsson operates in markets with varying degrees of complexity in terms of business culture, geopolitical stability and maturity of institutions. Within all these contexts, integrity serves as the foundation for Ericsson's ability to create value and reduce risks to the Company and its stakeholders. Ericsson is driving a cultural transformation to build operational excellence and enhanced governance to promote responsible decision-making. Across its operations, Ericsson maintains the same high standards of ethical business – from equal opportunity for all and respect for human rights, to anti-corruption and health and safety. Ericsson takes a holistic approach to risk management and is committed to act with integrity across its value chain. This is a continuous journey, and Ericsson is dedicating significant energy towards strengthening policies, procedures and processes to provide clarity and ensuring a foundation of responsible business Statement Act §99a please refer to the report:

[Sustainability and Corporate Responsibility Report 2023 \(Separate chapter of report\)](#)

For further description, please refer to the Annual Report of Telefonaktiebolaget L.M. Ericsson for 2023 and the description at the [group website](#).

Driving digital inclusion

About 2.6 billion people – a third of the global population – do not have a fast and reliable broadband connection, due to lack of affordability and accessibility solutions like Fixed Wireless Access are in many cases the only option to deliver broadband to unserved and underserved areas, including households, businesses and institutions in developing and developed markets. Financial inclusion is an important driver for attaining social inclusion and enabling micro, small and medium enterprises to grow. Today the Ericsson Wallet Platform supports about 85 million active users – many of whom were previously unbanked – with mobile financial services. In addition to its commercial offerings, Ericsson is actively working to ensure that meaningful connectivity supports essential societal needs, such as access to education. Working with UNICEF and ITU Giga public private partnership, which aims to connect every school worldwide to the internet by 2030, Ericsson has provided its extensive experience of connecting schools over the past decade. Ericsson is also a leading private sector partner in the Digital Transformation Collaborative led by UNESCO, advising governments on the digital transformation of education.

Beyond its portfolio

Ericsson is working on the ground to ensure that meaningful connectivity is available and usable by everyone. The Company was the first private sector partner of UNICEF and ITU's Giga initiative to make a multimillion-dollar commitment, and over the past two years it has supported Giga in connecting more than ITU's Giga initiative, and over the past two years it has supported Giga in connecting more than 6,000 schools and 2.4 million children and youth to the internet. To date, Ericsson has positively impacted 485,000 children and young adults in 43 countries by providing access to digital learning and skills development programs through its Connect To Learn initiative. Catalyzing Net Zero The digital transformation of society and industry is also a low-carbon one. The telecom industry is leading the race to zero emissions both in terms of Net Zero commitments and through an industry-wide commitment to source renewable energy. Ericsson has set an ambition to be Net Zero across its value chain by 2040 and its most important contribution to climate change

mitigation is delivering an energy efficient portfolio that will help break the energy curve of mobile networks, reducing customers' energy use, energy cost and carbon emissions. The Company also works with suppliers to provide relevant tools and frameworks for business partners to set their own 1.5 C-aligned targets. Further proof of our strong commitment [Second round of Ericsson climate action targets approved by SBTi](#) and [Ericsson among top Global 100 sustainable companies](#).

Corporate Citizenship

Ericsson continued to invest in connected reforestation projects and planted 100,000 mangroves and 20,000 fruit bearing plants through a project in India, which complements existing projects in Malaysia and the Philippines. Ericsson Response and the Refugee Emergency Telecom Cluster in Zimbabwe distributed connectivity to RETS1) partner offices that support more than 14,000 refugees and asylum seekers in the Tongogara refugee camp. Ericsson Response also supported the WFP-led ETC2) efforts to respond after the devastating earthquake in Turkey in February. Preparedness is key for reducing the impact of natural disasters and during the year Ericsson Response supported WFP to help the Philippine Department of ICT to strengthen communication resilience after typhoons.

Enabling achievement of the Sustainable Development Goals

Ericsson's products and solutions can contribute to the achievement of many of the United Nations Sustainable Development Goals (SDGs). Ericsson places strategic importance in meeting SDG 9 – Industry, innovation and infrastructure) and SDG 17 – Partnership for the goals) as their combined power helps to generate positive impact at scale. Delivering open, resilient and sustainable networks are core to Ericsson's role as a technology and industry leader. By creating and orchestrating ecosystems and working across trusted partnerships, Ericsson generates positive impact at scale to meet the global challenges of today and tomorrow. Ericsson engages and collaborates with its customers and business partners, as well as international institutions and civil society, in a connected ecosystem to catalyze climate action and support digital inclusion. Ericsson's indirect positive impacts include, among other things, alleviating poverty through mobile financial services, improved access to education through connected schools and digital learning, and reduced GHG emissions in its supply chain and portfolio as well as through digital data-driven solutions across industries.

Transition to circular economy

Work to increase product take-back volumes and the sale of refurbished equipment continued during the year. This included the development of a training for selected employees to raise their knowledge and awareness of e-waste, the take-back program and producer responsibilities. Reuse and product take-back was also added to the customer engagement framework, with the aim to increase awareness on these matters both internally and among customers. Ericsson has also advocated for recycled material content to be added to the IEC4) standard for declaring a product's material composition that is used throughout the electronic manufacturing industry. This will enable better tracking of the share of recycled input material in electronic equipment. Activities contributing to the transition to a circular economy, including manufacturing of electronic equipment, were added to the EU Taxonomy for Sustainable Activities in 2023. This has meant that Ericsson's share of Taxonomy-eligible turnover has increased to 38 (0)%. During 2024 Ericsson will assess to what extent its eligible activities also meet the criteria for alignment with the Taxonomy.

Supply chain climate action

Supply chain emissions represented 6 (8)% of the total value chain carbon footprint. As part of its Net Zero target, Ericsson is working to reduce these emissions through supplier engagement, design improvements, and transport efficiency. The Company has continued to explore and implement ways to reduce the weight and size of products, and taken initiatives targeting carbon intense materials and processes such as aluminum. Climate-related criteria were also introduced into supplier scorecards, showing to what extent a supplier's climate commitments support Ericsson's Net Zero target. Ericsson has a 2025 target to have 350 high emitting and

strategic direct suppliers set their own emission reduction targets aligned with the 1.5 °C ambition, which shall include a halving of emissions by 2030. These suppliers, together with their supply chains, represent a majority of Ericsson's upstream carbon footprint. By year end, 237 (225) suppliers had set accepted targets, which puts the Company on track to achieve the 2025 target. As an increasing number of suppliers have made qualifying commitments, Ericsson has introduced more stringent requirements for targets to be accepted, including providing a credible decarbonization plan. This in part explains why the year-over-year increase in aligned suppliers is smaller compared to previous years.

Portfolio energy performance

Downstream emissions, mainly from products in use, represented 94 (92)% of total value chain emissions. This makes continuous improvement in portfolio energy performance key to reaching the Company's emission reduction targets. Higher efficiency also creates financial value for customers as it contributes to reduced energy-related operational expenditures. During 2023 Ericsson has continued to improve the energy performance of its portfolio, delivering increasing mobile broadband capacity in relation to the energy consumption of its solutions. In 2022, the Company achieved both of its previous portfolio targets, and is now pursuing a target to reduce the average energy consumption of typical new radio base station sites by 40% by 2025 compared to a 2021 baseline. By year-end, the Company achieved a reduction of 30 (7)% and is on track to achieve this new target. Ericsson has continued to implement AI and machine learning solutions in its networks. This allows the service providers to operate their networks more intelligently to meet traffic demand and deliver the best user experience with the lowest energy use. An example is the Ericsson Predictive Cell Energy Management solution, which in 2023 was awarded the Network Sustainability Award for best intelligent automation solution for network sustainability and energy efficiency by FutureNet World. In November, Ericsson issued a EUR 500 million green bond. The bond was issued under the Company's Green Financing Framework, which was put in place to finance investments in energy efficiency and renewable energy. The proceeds from the bond will be allocated to R&D aimed at enhancing the energy performance of both existing and future solution.

Diversity and inclusion

Ericsson drives a broad diversity and inclusion agenda to support all employees to realize their full potential. Within this, there is a particular focus on gender balance, with a target to achieve at least 30% representation of women at all levels of the Company by 2030. To support this target, part of the variable compensation to executives is linked to a performance criteria where the share of women in line manager positions is to increase to 23% by 2024. During the year, the share of women line managers increased to 22.7 (21.7)%. Among all employees, the share increased slightly to 26.0 (25.5)% while decreasing to 31.4 (35.0)% within the executive population. Ericsson has a fifty-fifty gender balance goal for early career and graduate hires as part of the strategy to attract candidates from all backgrounds. In 2023 progress was made, with women representing 31 (27)% of all external hires. Work towards pay equity has continued with Ericsson putting additional efforts into measuring and better understanding the reasons behind gender pay gaps. Ericsson has made inclusive leadership one of the critical skills for its workforce to further embed inclusiveness in the company culture. This is supported by a bespoke training that combines the latest academic insight with online simulations. Ericsson also supports a network of 42 employee resource groups that cover a wide range of identities and characteristics, and also provides career accelerator programs to help remove barriers to progression for high performing talent, including from underrepresented groups. Talent attraction, retention and development Ericsson's talent acquisition strategy is built on three key focus areas: demand planning and capacity; identifying key talent markets; and attracting and retaining talent with critical skills. The Company continues to prioritize the development of future critical skills connected to its strategy. By year end, over 50,000 people had been upskilled or reskilled across critical skill areas such as Cloud Native, Power Skills and AI, in which 300 experts in 2018 acted as a catalyst to upskilling more than 30,000 employees as of year-end 2023. Nearly all employees use Degreed as the main digital learning experience platform for skill-building and learning completions, with many designating their own focus skills aligned to their career ambitions. After a slight reduction last year, 2023 saw a 59% increase in learnings completed through Degreed, reaching over 4.8 (3.0) million, which is the highest level to date. Employees are also encouraged to gain experience through internal job moves. This is

supported by an open talent market as well as targeted succession planning, with increasing emphasis on putting critical skills to work. During 2023, Ericsson has enhanced its sourcing capacity, improved recruiter capabilities and invested in new technology to Social 6 2023 highlights – Social Sustainability and Corporate Responsibility report 2023 reduce complexity and provide a better hiring experience. A global recognition program has been created to drive engagement and recognize impact. Since 2021 Ericsson has an employee share purchase plan in place to encourage employees to take an individual stake in achieving the Company’s goals. At the end of 2023 the plan was implemented in 79 countries and available to about 88,000 employees, with a participation rate of 17.1 (18.9)%. Employee satisfaction scores remained high at 80 (81) points and continues to be above the benchmark value for comparable companies in the industry, which is 74 (77).

Quality Control

Ericsson has one overall Group management system for all entities in Ericsson. Certification and assessments of these are performed globally by DnV (Det Norske Veritas).

Ericsson Denmark was last subject to internal assessment 2023. Business ethics, Anticorruption commitment and Compliance are very important foundations of our business. Assessment is performed according to a global Ericsson assessment plan.

Ericsson holds the ISO certificates for ISO 9001, ISO 14001, ISO 45001 and ISO 27001. Assessments are performed according to a global Ericsson assessment plan.

Ericsson was recertified by DnV December 2023.

Ericsson’s approach to data ethics pursuant to section 99 d of the Danish Financial Statements Act

Ericsson Danmark A/S is part of Ericsson Group, with consolidated accounts being reported by Telefonaktiebolaget LM Ericsson (publ.). As part of its Annual Report, Telefonaktiebolaget LM Ericsson (publ.), discloses its comprehensive Sustainability and Corporate Responsibility report, which can be found here: <https://www.ericsson.com/en/about-us/sustainability-and-corporate-responsibility/sustainability-report> . There is more information on these topics on pages 19–20 of the Corporate Governance report: <https://www.ericsson.com/4933e7/assets/local/investors/documents/2023/governance-report-2023-en.pdf>

Ericsson’s global privacy program aims to incorporate privacy by design into Ericsson’s processes, tools, products, and services. The program encourages proactive engagement with key stakeholders and secures buy-in at each stage of the privacy and data protection value chain. The program supports our commitment to the integrity of all personal data for which we are responsible and helps our customers to develop trusted relationships with consumers and businesses.

Respect for the right to privacy is included in Ericsson’s Code of Business Ethics, which defines the behavior we expect from all Ericsson employees. Along with professionalism and perseverance, the concept of respect is one of Ericsson’s three core values and therefore forms part of the foundation of our company culture. We recognize that securing privacy in a connected world requires a sustained cross-industry effort. New technologies bring new privacy implications, and continuous dialog between industry, governments, regulators, and civil society is essential. Ericsson is committed to driving and participating in these multi-stakeholder discussions.

More information about privacy and data ethics is to be found: <https://www.ericsson.com/en/legal/privacy>.

Security and privacy

Ericsson has continued to execute its security and data privacy strategies with the goal to strengthen its operational and portfolio resilience. There is more information on these topics on pages 19–20 of the Corporate Governance report.

Ethics and compliance

Ericsson is committed to maintaining the highest standards of corporate governance, prioritizing an integrity-led culture and compliance with laws in everything it does, driving integrity into and across the organization. The Company has invested significant resources and energy to strengthen its Ethics and Compliance (E&C) program, implementing and maintaining strong systems, controls and policies to effectively prevent and detect wrongdoing, including in the areas of ethics, anti-bribery and corruption, conflicts of interests, anti-money laundering and competition law. There is more information on this on pages 23-24 of the Financial report, in the Corporate Governance report and in note G2 of the Group S&CR report 2023. Ericsson believes that driving integrity into day-to-day decision-making requires constant focus to ensure that compliance processes and related controls are fit for purpose and that they are continuously tested and refined.

Independent Monitor certifies Ericsson’s Compliance Program

Ericsson (NASDAQ: ERIC) announced on March 28, 2024, the independent compliance Monitor appointed by the U.S. Department of Justice (DOJ) (in June of 2020 in connection with Ericsson’s resolution of historical violations of the Foreign Corrupt Practices Act (FCPA) violations) has certified that Ericsson's anti-corruption compliance program has satisfied requirements and is functioning effectively. This independent certification is a condition to conclusion of the Monitorship and Plea Agreement, currently expected to occur no later than June 2, 2024.

Ericsson’s Chair of the Board of Directors, Jan Carlson, comments: “This certification is an important and independent verification of Ericsson’s significant progress in strengthening its compliance and controls since entering into the 2019 DOJ settlement. Ericsson’s continued global technology leadership and innovation, coupled with ethical decision making and effective risk management, puts us in a very strong competitive position. This marks a positive step towards completion of the monitorship, which the Company expects at the same time as the expiration of the term of the plea agreement, upon fulfillment of the remaining obligations of that agreement.”

The role of the independent Monitor over the past four years has been to comprehensively review, assess, evaluate and test all aspects of the company’s global anti-corruption compliance program and internal controls. In fulfilling its duties, the independent Monitor team has had full access to the company’s Board, executives, employees, global operations and books and records. The Monitor’s final certification is based on its four year review and has included “an assessment of the Board of Directors’ and senior management’s commitment to, and effective implementation of, the corporate compliance program”.

Statutory statement of Diversity

A diverse workforce is a strong, competitive, innovative and resilient workforce. Ericsson has a focused strategy aimed at ensuring that our employee base and our leadership teams are as diverse as the world in which we operate.

Diversity acknowledges the differences everyone brings to the workplace. Inclusion confirms that each and every one is valued and welcome. Ericsson strives to be a workplace that respects and appreciates individual differences.

Diversity has been on our agenda for many years – a priority as we operate in 180 countries, have 171 nationalities represented in our workforce.

As the Ericsson Group is working for customers globally, a diverse workforce is extremely important to Ericsson. Our definition of diversity extends beyond gender, race, religion, ethnicity, age and other established parameters to differences in experience, personalities, thoughts, family situation etc.

And therefore, the Ericsson Denmark office mirror the Ericsson group. We are end of the year 132 employees and we're representing 25 different nationalities in our workforce.

Statutory statement of gender composition in the management according to the Danish Financial Statement Act §99b.

While we focus on enhancing diversity from many different perspectives, a particular effort has been made over the past few years to increase female representation in leadership roles with regard to the requirement in the Danish Financial Statement Act §99b. There is still much work to be done. The number of women in Ericsson's Denmark total workforce is 17% at the end of the year, reflective of a male dominated industry and the recruitment base from engineering schools.

Different initiatives are ongoing aiming for attracting more female. We co-operate with our customers facing the same challenges to make an impact and changing the industry long term.

To address this challenge Ericsson has a threefold global program which starts with top-level commitment, is built in as part of the talent management process and empowers regional leadership to tailor diversity activities to their needs and their markets. Now that we have diversity plans in place in the region, our focus is to execute on these plans.

Our main focus will be on:

Recruiting more women into core business areas. This will be done by participating in job fairs and joining exciting initiatives done within our industry. Continue to co-operate with universities focusing on female as well as attracting young candidates.

- Co-operation with our Customer to have coming D&I plan.
- Identifying female leadership talent early in the career.
- Developing talent to increase proportion of senior and executive female leaders.
- Securing support mechanisms for recruiting, promoting and retaining women.
- Visible role models of women leaders.

Account of gender composition of the management

Management Level	Total members	Target 2023 % of underrepresented gender	Target % of underrepresented gender	Year for reaching the target
Board of Directors	3	0%	33.3%	2030
First level of Management	8	38%	N/A	N/A
Second level of Management	7	29%	30%	2030

For the board of directors, during 2023 one of the board members which was part of the underrepresented category changed the job role and left the board, consequently the % of underrepresented gender has changed from 33.3% to 0%. The company expect to achieve in the next seven years until the closing of 2030 a representation of the underrepresented gender of 33.3%. The Company has 2 board members elected by the employees.

The representation of the underrepresented gender at the first level of management is unchanged from 2022 which is 38% and is an equal gender composition. At the second level of management, the representation of the underrepresented gender increase from 17% to 29% in 2023.

Intellectual capital resources

For Ericsson Denmark A/S, it is strategically important that employees and managers at all levels are competent and committed and currently develop their knowledge, competences and qualifications. During 2023, the Company focused especially on individual target achievement, securing careers, including competence development. Furthermore, knowledge is sought through networking and forums with other companies and industries. Activities are targeted at individual level and determined by employee and manager in co-operation at the frequent development discussions.

During 2023, a number of competences developing activities have been carried through, both within the technical field in the Company's development entities and within the commercial field. The training requirements are covered through Danish and foreign suppliers as well as through the Group's internal training programs.

Subsequent events

No events materially affecting the assessment of the Annual Report for 2023 have occurred after the balance sheet date.

Financial Statements

Basis of preparation

The Annual Report of Ericsson Denmark A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies are unchanged from last year.

The Annual Report for 2023 is presented in DKK thousands.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is affected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Leases

Leases in respect of property, plant and equipment in terms of which the Company assumes substantially all the risks and rewards incidental to ownership (finance leases) are recognised in the balance sheet at the fair value of the leased asset, if measurable. Alternatively, the net present value, if lower, of future lease payments at the inception of the lease is applied. When computing the net present value, the interest rate implicit in the lease is applied as the discount rate or an approximated value. Assets acquired under finance leases are depreciated and written down for impairment like the other property, plant and equipment of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement. All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement over the lease term.

Translation policies

Transactions in foreign currencies are translated during the year at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Corporation tax and deferred tax

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement. Any share of the tax reported in the income statement arising from profit/loss on extraordinary activities for the year is attributed to such activities, whereas the remaining share is attributed to profit/loss on ordinary activities for the year.

Current tax liabilities and current tax receivable are recognised in receivables in the balance sheet in the event of overpayment of tax on account, and in debt in the event of underpayment of tax on account.

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes or other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised.

Income Statement

Revenue

Revenue from the sale of goods for resale, finished goods and services is recognised in the income statement in accordance with measurement criteria in IFRS15, provided that the general criteria have been met, including that delivery and transfer of control have been made to the purchaser by year end, that the amount can be stated reliably and is expected to be received. Revenue is recognised exclusive of VAT and duties and net of discounts relating to sales.

Contract work in progress concerning material contracts is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the sales contract and the stage of completion at the balance sheet date can be measured reliably, and it is probably that the economic benefits, including payments, will flow to the Company.

For small contracts and contracts which involve no labour costs, revenue is recognised under the invoicing principle.

Production costs

Production costs comprises costs incurred to achieve revenue for the year. Cost comprises raw materials,

consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc.

Distribution expenses

Distribution expenses comprise expenses in the form of salaries to sales, management expenses, distribution staff, advertising and marketing expenses as well as operation of cars, depreciation, etc.

Administrative expenses

Administrative expenses comprise expenses for the administrative staff, office expenses, depreciation, etc.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities as well as extra payments.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Fixtures, fittings, tools and equipment	3-5 years
Leasehold improvements	3-10 years

Gains and losses on current replacement of property, plant and equipment are recognised in administrative expenses.

The carrying amounts of plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets should be assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Re-assessment of depreciation periods and residual value are performed yearly.

Fixed asset investments

Deposits presented as Fixed asset investments are measured at cost and consist of rent deposits which will be received at the termination of the rental contract.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value. The net realisable value of inventories is calculated as the total of future sales revenues expected, at the balance sheet date, to be generated by inventories in the process of normal operations and determined allowing for marketability, obsolescence and development in expected sales sum less the estimated expenses necessary to make the sale.

A significant part of Inventories is Contract work in progress (CWIP). Recognition and derecognition of CWIP relates to the Company's revenue recognition principles meaning that costs incurred under a customer contract are initially recognized as CWIP. When the related revenue is recognized, CWIP is derecognized and is instead recognized as Cost of sales.

Receivables

Receivables are recognised in the balance sheet at the lower of amortised cost and net realisable value, which as a main rule corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress is, as regards material contracts, measured at the selling price of the work performed based on the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Expenses comprise salaries, materials and indirect contract expenses such as management and administrative expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

For small contracts and contracts involving no labour costs, contract work in progress is recognised at cost.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Prepayments are set off against contract work in progress. Payments received on account in excess of the contract work performed to date are stated separately for each contract and recognised as prepayments received from customers in short-term debt.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments include expenses incurred in respect of subsequent financial years. Such expenses are typically prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend is recognised as a liability at the time of adoption at the Annual General Meeting. Dividend expected to be distributed for the year is disclosed as a separate equity item.

Share based compensation program

Share-based compensation is related to remuneration to employees, including key management personnel, the executive team as well as the president and CEO, and could be settled either in shares or in cash.

In a share settled plan, the employees enrolled in the plan are entitled to a determined number of shares that is calculated based on nomination. The Ericsson shares will be received at the end of the vesting periods based on the fulfillment of performance, market and service conditions. The fair market value of the shares is calculated at grant date and does not change during the vesting period. The compensation expense in a share settled plan has no cash flow impact as there is no cash payout (other than potential social security and tax costs), the payout is instead in Ericsson shares. The amount charged to the income statement for the plan is credited in equity at the same time as the income statement charge.

Financial debts

Fixed-interest loans intended held to maturity are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost equal to the capitalised value using the effective interest method; the difference between the proceeds and the nominal value (the capital loss) is recognised in the income statement over the loan period.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up settling the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period. Provisions are measured and recognised based on experience with guarantee work. Provisions with an expected maturity exceeding 1 year from the balance sheet date are discounted at the average bond yield.

Deferred income

Deferred income includes payments received in respect of income in subsequent years.

Audit fees

Fees for auditors are accrued based on global agreement with Deloitte. The total fees paid by the group can be seen in Ericsson Annual Report 2023, section H5.

Cashflow statement

According to the Danish Financial Statements Act § 86,4 a Cashflow statement is not prepared.

Financial Ratios

The financial ratios have been calculated in accordance with the guidelines issued by the Danish Society of Financial Analysts.

The financial ratios have been calculated as follows:

$$\text{Profit margin:} \quad \frac{\text{Operating profit} \times 100}{\text{Revenue}}$$

$$\text{Return on net assets:} \quad \frac{\text{Operating profit} \times 100}{\text{Total assets}}$$

$$\text{Solvency ratio:} \quad \frac{\text{Equity at year end} \times 100}{\text{Total assets}}$$

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2023</u> DKK '000	<u>2022</u> DKK '000
Revenue	1	779 614	1 108 836
Production costs	2	<u>(701 502)</u>	<u>(1 009 062)</u>
Gross profit/loss		78 112	99 774
Distribution expenses	2	(35 029)	(45 620)
Administrative expenses	2	<u>(13 286)</u>	<u>(16 710)</u>
Operating profit/loss		29 797	37 444
Financial income	3	5 877	15 549
Financial expenses	4	<u>(6 877)</u>	<u>(13 871)</u>
Profit/loss before tax		28 797	39 122
Tax on profit/loss for the year	5	<u>(6 639)</u>	<u>(8 685)</u>
Net profit/loss for the year		22 158	30 437
Distribution of profit		<u>2023</u> DKK '000	<u>2022</u> DKK '000
Proposed dividends		28 000	6 000
Retained earnings		<u>(5 842)</u>	<u>24 437</u>
		<u>22 158</u>	<u>30 437</u>

Balance Sheet at 31 December

Assets	Note	2023 DKK '000	2022 DKK '000
Other fixtures, fittings, tools and equipment		227	345
Property, plant and equipment	6	227	345
Deposits		1 307	1 156
Fixed asset investments	7	1 307	1 156
Fixed assets		1 534	1 501
Inventories	8	54 490	65 849
Trade receivables		384 254	312 866
Receivables from group enterprises		5 387	33 102
Receivables from group enterprises, cash pool		12 711	32 216
Other receivables		1 139	1 203
Deferred tax asset	5	2 113	3 572
Prepayments	9	572	1 553
Receivables		406 176	384 512
Current assets		460 666	450 361
Assets		462 200	451 862

Balance Sheet at 31 December

Liabilities and equity	<u>Note</u>	<u>2023</u> DKK '000	<u>2022</u> DKK '000
Share capital	10	90 000	90 000
Retained earnings		46 787	22 278
Net profit/loss for the year		22 158	30 437
Equity		158 945	142 715
Other provisions		2 416	427
Provisions	11	2 416	427
Other long-term debts	12	958	649
Long term-debts		958	649
Trade payables		59 928	63 528
Payables to group enterprises		96 107	47 878
Payables to group enterprises, Cash pool		76 602	50 471
Corporation tax	5	2 973	10,671
Other payables	13	35 481	65 795
Deferred income	14	28 790	69 728
Short-term debt		299 881	308 071
Liabilities and equity		462 200	451 862
Contingent liabilities and other financial obligations	15		
Related parties and ownership	16		
Distribution of profit	17		
Subsequent events	18		

Statement of Changes in Equity

	<i>Share capital</i>	<i>Retained earnings</i>	<i>Proposed dividend</i>	<i>Share-Based payment</i>	<i>Total</i>
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Equity at 1 January 2022	90 000	22 278	21,000	-	133 278
Dividend paid	-	-	(21,000)	-	(21 000)
Net profit/loss for the year 2022	-	24 437	6 000	-	30 437
Equity at 31 December 2022	90 000	46 715	6 000	0	142 715
Equity at 1 January 2023	90 000	46 715	6 000	-	142 715
Dividend paid	-	-	(6 000)	-	(6 000)
Share-Based payment	-	-	-	72	72
Net profit/loss for the year 2023	-	(5 842)	28 000	-	22 158
Equity at 31 December 2023	90 000	40 873	28 000	72	158 945

Notes to the Annual Report

1 Revenue	2023	2022
	DKK '000	DKK '000
Markets:		
Denmark	636 882	942 597
Nordics	142 732	166 239
Other	-	-
	779 614	1 108 836
Activities:		
Networks	480 374	859 338
Digital Services	3,736	111 129
Managed Services	-	136 071
Emerging Business and Other	275	-
Cloud Software & Services	295 229	2 298
	779 614	1 108 836

In 2022 Business Areas BDGS and BMAS were reported under Digital Services and Managed Services, while starting with 2023 there was a remapping of Business Area and these are included under BACS (Cloud Software and Services).

2 Staff expenses		
Salaries, including severance pay etc	123 914	147 278
Pensions	17 149	16 671
Other social security expenses	1 473	886
Staff expenses	142 536	164 835
Which are expensed as follows:		
Production costs	103 240	114 180
Distribution expenses	26 192	36 086
Administrative expenses	13 104	14 569
	142 536	164 835
Average number of employees	140	151

Remuneration of the Supervisory board and Executive board

Management remuneration is not disclosed following section 98b(3)(2) of the Danish Financial Statements Act

3 Financial income	2023	2022
	DKK '000	DKK '000
Interest income group enterprises	2,330	605
Exchange adjustments	3 547	14 944
Financial income	5 877	15 549

Notes to the Annual Report

4 Financial expenses	2023 DKK '000	2022 DKK '000
Interest expenses from banks	(30)	(280)
Interest expenses group enterprises	(1 395)	(767)
Other financial expenses	(5 452)	(12 824)
Financial expenses	(6 877)	(13 871)

5 Corporation tax

	<i>Corporation tax</i> DKK '000	<i>Deferred tax asset</i> DKK '000	<i>Acc. to income statement</i>
Balance at 1 January 2023	(10,671)	3,572	-
Payment tax conc. 2022	11,105	-	-
Residual tax re 2022	(272)		
Tax on account paid conc. 2023	2 044	-	-
Tax on profit/loss for 2022	(163)		(163)
Tax on profit/loss for the year	(5 016)	(1,459)	(6 476)
Balance at 31 December 2023	(2 973)	2 113	(6 639)

	2023 DKK '000	2022 DKK '000
22% tax calculated on profit for the year before tax	(6 335)	(8 607)
Tax effect of:		
- Non deductible expenses	(141)	(78)
Adjustment of tax concerning previous years	(163)	-
Tax on profit/loss for the year	(6 639)	(8 685)

Deferred tax asset

Property, plant and equipment	113	59
Provisions	2,000	3,513
Deferred tax	2 113	3 572

Notes to Annual Report

6 Property, plant and equipment

	Leasehold improvements <u>DKK '000</u>	Other fixtures, fittings, tools and equipment <u>DKK '000</u>
Cost at 1 January 2023	84	3 245
Cost at 31 December 2023	84	3 245
Impairment losses at 1 January 2023	-	(142)
Impairment losses at 31 December 2023	-	(142)
Depreciation at 1 January 2023	(84)	(2 758)
Depreciation for the year	-	(118)
Depreciation at 31 December 2023	(84)	(2 876)
Carrying amount at 31 December 2023	-	227
<i>Depreciated over</i>	<i>3-10 years</i>	<i>3-5 years</i>

Notes to the Annual report

7 Fixed Asset investments

	Deposits
	<u>DKK '000</u>
Cost at 1 January 2023	1,156
Additions during the year	171
Disposals during the year	(20)
Cost at 31 December 2023	<u>1 307</u>
Carrying amount at 31 December 2023	<u>1 307</u>

8 Inventories

	<u>2023</u>	<u>2022</u>
Contract work in progress	54 490	65 849
	<u>54 490</u>	<u>65 849</u>

Notes to the Annual report

9 Prepayments	<u>2023</u>	<u>2022</u>
	DKK '000	DKK '000
Prepaid expenses	<u>572</u>	<u>1 553</u>
	<u>572</u>	<u>1 553</u>

Deferred items include prepaid expenses for office rent, lease, insurances etc.

10 Share capital

The share capital comprises the following shares:

Number of shares	Share amount	Total
	DKK '000	DKK '000
175	1	175
1	25	25
28	100	2 800
5	200	1 000
46	500	23 000
18	1 000	18 000
5	5 000	25 000
2	10 000	20 000
		<u>90 000</u>

Notes to the Annual Report

11 Other Provisions

	Restructuring provisions	Total provisions
	DKK '000	DKK '000
Other provisions at 1 January 2023	427	427
Current portion of the non-current provision	(3 513)	(3 513)
Additions, provisions during the year	5,502	5 502
Provisions at 31 December 2023	2 416	2 416

Provisions for restructuring costs are related to employees who have been given notice.

12 Other long-term debts

	2023	2022
	DKK '000	DKK '000
LTV	958	649
Total Other long-term debts	958	649
Of which expected to be paid in the next 5 years	958	649

At Ericsson, our Key Contributors*, Executives and Executive Team members are rewarded with a compensation element called Long-term variable pay (LTV).

LTV is an entitlement based on, or related to, the performance of the company which is reflected in either the targets set and/or the share price development of the company.

*The Key Contributor award is given in synthetic shares. A synthetic share is not a real share, but an identifier used to assess the value of future payout. It is tied to the Ericsson B-share price.

Notes to the Annual Report

13 Other payables	<u>2023</u>	<u>2022</u>
	DKK '000	DKK '000
Accrued staff related items	10 694	26 654
Current provisions	-	3,676
Current portion of non-current provisions	3 513	9 336
Accrued holiday pay	9 465	11 586
Accrued VAT and other duties	11 809	14 543
Other payables	<u>35 481</u>	<u>65 795</u>

14 Deferred Income

The item includes deferred revenue, which is billed to its customers not yet delivered.

15 Contingent liabilities and other financial obligations	<u>2023</u>	<u>2022</u>
	DKK '000	DKK '000
Within one year	5 342	5 738
Between one and five years	19 201	9 161
Contingent liabilities and other financial obligations	<u>24 543</u>	<u>14 899</u>

The company has concluded a number of rental contracts with different duration. Usual restoration obligations lie with the company at a possible emigration of the individual leases. The company incurs regular maintenance costs in connection with the leased premises and based on this, no provision has been made for restoration obligations at a possible emigration. Restoration obligations are recognized at the time the company takes a decision to emigrate from any given lease.

Notes to the Annual report

16 Related parties and ownership

Ownership and group relations

The Company is wholly owned by Telefonaktiebolaget L.M. Ericsson, S-164 83 Stockholm, Sweden. This is also the Company's ultimate Parent Company which prepares Consolidated Financial Statements including the Company as a subsidiary. The Consolidated Financial Statements of Telefonaktiebolaget L.M. Ericsson can be obtained from Ericsson Danmark A/S.

Transactions

The Company primarily purchases telecommunication equipment from the sister company Ericsson AB for resale. Moreover, the Company trades with other sister companies in the form of purchase and sale of service and administrative services.

The Company sells development, network roll-out and other support services to sister companies.

All transactions between affiliated entities have been conducted on arm's length basis.

17 Distribution of profit

	<u>2023</u>	<u>2022</u>
	DKK '000	DKK '000
Proposed dividends	28 000	6 000
Retained earnings	<u>(5 842)</u>	<u>24 437</u>
	<u>22 158</u>	<u>30 437</u>

18 Subsequent events

No events materially affecting the assessment of the Annual Report for 2023 have occurred after the balance sheet date.