



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 979 158 831
Organisasjonsform: Aksjeselskap
Foretaksnavn: MICROSOFT DEVELOPMENT CENTER
NORWAY AS
Forretningsadresse: Dronning Eufemias gate 71
0194 OSLO

Regnskapsår

Årsregnskapets periode: 01.07.2022 - 30.06.2023

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Anne Merete B. Aronsen
Dato for fastsettelse av årsregnskapet: 15.12.2023

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 11.02.2025



Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt	3	735 501 000	664 320 000
Sum inntekter		735 501 000	664 320 000
Kostnader			
Lønnskostnad	4,5	840 193 000	709 115 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	6	6 768 000	5 030 000
Annen driftskostnad	7	66 098 000	68 601 000
Sum kostnader		913 059 000	782 746 000
Driftsresultat		-177 558 000	-118 426 000
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		0	-33 156 000
Annen renteinntekt	8	112 664 000	23 026 000
Sum finansinntekter		112 664 000	-10 130 000
Annen finanskostnad	8	415 000	4 649 000
Sum finanskostnader		415 000	4 649 000
Netto finans		112 249 000	-14 779 000
Ordinært resultat før skattekostnad		-65 309 000	-133 205 000
Skattekostnad på ordinært resultat	9	31 479 000	10 842 000
Ordinært resultat etter skattekostnad		-96 788 000	-144 047 000
Årsresultat		-96 788 000	-144 047 000
Overføringer og disponeringer			
Overføring til/fra fond	10	206 466 000	147 734 000
Overføringer til/fra annen egenkapital	10	-303 254 000	-291 781 000
Sum overføringer og disponeringer		-96 788 000	-144 047 000



Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	9	2 839 000	22 085 000
Sum immaterielle eiendeler		2 839 000	22 085 000
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	6	21 769 000	14 255 000
Forpliktelse vdr avhending av eiendeler		33 000	45 000
Sum varige driftsmidler		21 802 000	14 300 000
Sum anleggsmidler		24 641 000	36 385 000
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		2 720 000	2 059 000
Skattefordringer		60 231 000	159 482 000
Konsernfordringer	12	3 997 522 000	4 833 434 000
Sum fordringer		4 060 473 000	4 994 975 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	13	34 001 000	28 501 000
Sum bankinnskudd, kontanter og lignende		34 001 000	28 501 000
Sum omløpsmidler		4 094 474 000	5 023 476 000
SUM EIENDELER		4 119 115 000	5 059 861 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital



Balanse

Beløp i: NOK	Note	2023	2022
Selskapskapital	10,11	134 677 000	134 677 000
Overkurs	10	2 113 010 000	2 165 991 000
Annen innskutt egenkapital		596 446 000	389 980 000
Sum innskutt egenkapital		2 844 133 000	2 690 648 000
Opptjent egenkapital			
Annen egenkapital	10	1 001 791 000	1 045 598 000
Sum opptjent egenkapital		1 001 791 000	1 045 598 000
Sum egenkapital		3 845 924 000	3 736 246 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Øvrig langsiktig gjeld		261 000	257 000
Sum annen langsiktig gjeld		261 000	257 000
Sum langsiktig gjeld		261 000	257 000
Kortsiktig gjeld			
Leverandørgjeld		2 706 000	2 137 000
Skyldige offentlige avgifter		146 773 000	105 755 000
Utbytte	10	0	1 100 000 000
Kortsiktig konserngjeld		123 451 000	115 466 000
Sum kortsiktig gjeld		272 930 000	1 323 358 000
Sum gjeld		273 191 000	1 323 615 000
SUM EGENKAPITAL OG GJELD		4 119 115 000	5 059 861 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 303925

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Organisasjonsform: Aksjeselskap
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Brønnøysundregistrene, 03.02.2024



Organisasjonsnr: 979 158 831
MICROSOFT DEVELOPMENT CENTER
NORWAY AS

RESULTATREGNSKAP

<u>Beløp i: NOK</u>	<u>Note</u>	<u>2023</u>	<u>2022</u>
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Organisasjonsnr: 979 158 831
MICROSOFT DEVELOPMENT CENTER
NORWAY AS

BALANSE

Beløp i: NOK **Note** **2023** **2022**

BALANSE - EIENDELER

Anleggsmidler

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Sum anleggsmidler		24 641 000	36 385 000
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Omløpsmidler

Varer

Fordringer

Andre fordringer		2 720 000	2 059 000
Skattefordringer		60 231 000	159 482 000
Konsernfordringer	12	3 997 522 000	4 833 434 000
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Sum omløpsmidler		4 094 474 000	5 023 476 000
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SUM EIENDELER		4 119 115 000	5 059 861 000
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BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital

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Organisasjonsnr: 979 158 831
MICROSOFT DEVELOPMENT CENTER
NORWAY AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
4

Antall årsverk i regnskapsåret
388.00

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Samlet beløp - tilknyttet selskap Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - foretak i samme konsern Årets Fjorårets

Samlet beløp - felles kontrollert virksomhet Årets Fjorårets

Pantstillelse Beløp

Beholdning av egne aksjer Antall Pålydende Andel av aksjek.



Microsoft
Development
Center Norway AS

Annual report for the year ended 30 June 2023

Directors' report
Financial statements
- Profit and loss statement
- Balance sheet
- Cash flow statement
- Notes

Auditor's report



Microsoft Development Center Norway AS

Directors report for the period 1 July 2022 to 30 June 2023

Operations and location

Microsoft Development Center Norway AS's ("the Company") main business is to conduct research and development. The Company has its office located in Oslo and is a wholly owned subsidiary of Microsoft Corporation.

True and fair view

The Board of Directors believes that the financial statements provide a true and fair view of the Company's assets and liabilities and financial position.

Going concern

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

Future development

The Board of Directors expects no significant change in the Company's activities or results in future.

Comments on the financial statements

Revenues have increased from TNOK 664 320 in 2022 to TNOK 735 501 in 2023. Operating loss before interest and tax has increased from TNOK -118 426 in 2022 to TNOK -177 558 in 2023. The Company's net assets have increased from TNOK 3 736 246 in 2022 to TNOK 3 845 924 in 2023.

Risks

Management monitors and considers risk on an ongoing basis and does not consider there to be any other significant risks or uncertainties facing the Company. Microsoft Development Center Norway AS would have a low risk appetite and has access to funds through the Microsoft group. The general risks the Company has exposure to are considered in the notes to the financial statements on page 12, including financial risk, market risk, credit risk and liquidity risk.

Working environment and staff

Total sick leave in the Company in the year was 1,060 days, which amounts to 1.42% of total working days in the year. There have not been any reported serious work accidents during the year.



Microsoft Development Center Norway AS

Directors report for the period 1 July 2022 to 30 June 2023

Equality

Consideration is given to gender equality within the workplace and throughout the recruitment process. At the end of FY23 the company had 395 employees, of which 22% were women and 78% were men.

The management team consists of 7 persons, of which 14% are women and 86% are men. For manager level and above, 20.3% are women and 79.7% are men. For levels below manager, 33.3% are women and 66.7% are men.

Salaries and other benefits are determined from objective and gender neutral terms. At Microsoft there is a focus on ensuring that all employees are provided equal pay for substantially similar work. This does not mean that employees at the same level or those with the same title are all paid the same. Instead, our program is designed so that employees in the same general geographic work location with similar scope and impact, based on their overall job content have similar opportunities for pay each year. We continuously monitor our internal pay data to make sure this principle is reflected in our compensation program, policies, and practices. Women's share of total pay during the year was 19%. Divided by level, women's share of total pay during the year was 18% for manager level and above, and 42% for levels below manager.

The company has 5 Temporary staff (5 male (1.3%)) and 29 outsourced staff. The company has 3 part-time employees (1 female and 2 male). The company does not have any unwanted part-time employees.

Transparency Act

The Company has filed a statement pursuant to the Norway Transparency Act, which is available on the Supply Chain Integrity Website as well as Microsoft's Reports Hub.

Diversity and inclusion

At Microsoft we strive to make our workplace more diverse and inclusive to serve our diverse customers around the world and create a workplace where everyone can do their best work. Diversity and inclusion continue to be a core priority for every employee and leader at Microsoft as part of our annual performance and development and this past year we strengthened our approach to diversity and inclusion by introducing a global allyship program. Microsoft have a very thorough and consistent recruitment process, with the process focusing on inclusive recruitment and assessment based on competence-based interviews, this should give all external and internal candidates the same opportunity of landing a role.



Microsoft Development Center Norway AS

Directors report for the period 1 July 2022 to 30 June 2023

Discrimination

The purpose of the Discrimination Act is to promote equality, equal opportunities and rights and to prevent discrimination on grounds of ethnicity, national origin, descent, colour, language, religion and beliefs. The Company works actively, purposefully and systematically to promote the purpose of the law within our business. This includes recruitment, pay and working conditions, promotion, development opportunities and protection against harassment.

The Company's goal is to be a workplace where there is no discrimination due to disability. At Microsoft we believe that disability is a strength. People with disabilities make our company stronger, and by growing and involving people with disabilities at Microsoft we will make better products that help us and our customers to achieve our mission to empower every person and every organization on the planet to achieve more. We are focused on building an inclusive culture that celebrates the amazing skills, experiences, and backgrounds that all employees bring to the company. The Company works actively and purposefully to design and organise the physical conditions so that the various functions of the Company can be performed as widely as possible. For employees or jobseekers with disabilities, individual workplaces and work tasks are organised.

Environmental reporting

The Company's operations are subject to national laws and regulations and are not considered to pollute the external environment.

Insurance

Microsoft Development Center Norway AS does not have insurance for the board of directors and the general manager for their possible liability to the enterprise and third parties.

Results and allocations

The deficit for the year is proposed to be allocated in the following manner:

	2023	2022
	TNOK	TNOK
Transferred from other paid-in equity	206 466	147 734
Transfers to/from other equity	-303 254	-291 781
Total Transfers	-96 788	-144 047




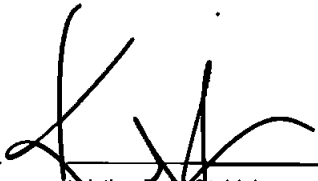

Microsoft Development Center Norway AS

Directors report for the period 1 July 2022 to 30 June 2023

The Board of Directors for Microsoft Development Center Norway AS

Oslo

15 December 2023 / 15. desember 2023

 Keith Ranger Dolliver (Chair of the board)	 Benjamin Owen Omdorf (Board Member)	 Kristine Dah Steidel (Board Member)
 Celine Lancaster (Board Member)	 Dino Ilıc (Board Member - Employee)	 Margaux Ledieu (Board Member - Employee)
 Bjørn Olstad (General Manager)		

Microsoft Development Center Norway AS
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Microsoft Development Center Norway AS

Profit and loss statement

	Note	2023 TNOK	2022 TNOK
Operating income			
Revenue	3	735 501	664 320
Total operating income		<u>735 501</u>	<u>664 320</u>
Operating cost			
Payroll expenses	4, 5	840 193	709 115
Depreciation	6	6 768	5 030
Other operating expenses	7	66 098	68 601
Total operating costs		<u>913 059</u>	<u>782 746</u>
Operating loss		<u>-177 558</u>	<u>-118 426</u>
Financial income and financial costs			
Gain on sale of the investment in subsidiary		0	-33 156
Other financial income	8	112 664	23 026
Other financial expenses	8	-415	-4 649
Net financial items		<u>112 249</u>	<u>-14 779</u>
Loss before tax		<u>-65 309</u>	<u>-133 205</u>
Taxes on ordinary result	9	31 479	10 842
Loss for the year		<u>-96 788</u>	<u>-144 047</u>
Transfers and allocations			
Transferred from other paid-in equity	10	206 466	147 734
Transfers to/from other equity	10	-303 254	-291 781
Total transfers		<u>-96 788</u>	<u>-144 047</u>

Microsoft Development Center Norway AS
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Microsoft Development Center Norway AS

Balance sheet as at 30 June 2023

	Note	2023 TNOK	2022 TNOK
<i>Fixed assets</i>			
Property, plant and equipment	6	21 769	14 255
Asset retirement obligation		33	45
Total fixed assets		<u>21 802</u>	<u>14 300</u>
<i>Intangible assets</i>			
Deferred tax asset	9	2 839	22 085
Total intangible assets		<u>2 839</u>	<u>22 085</u>
Total non-current assets		<u>24 641</u>	<u>36 385</u>
Current assets			
<i>Receivables</i>			
Receivables from companies in the same group	12	3 997 522	4 833 434
Other receivables		2 720	2 059
Tax receivables		60 231	159 482
Total receivables		<u>4 060 473</u>	<u>4 994 975</u>
Cash and cash equivalents	13	<u>34 001</u>	<u>28 501</u>
Total current assets		<u>4 094 474</u>	<u>5 023 476</u>
Total assets		<u>4 119 115</u>	<u>5 059 861</u>

Microsoft Development Center Norway AS
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Microsoft Development Center Norway AS

	Note	2023 TNOK	2022 TNOK
Equity and liabilities			
<i>Equity</i>			
Share capital	10, 11	134 677	134 677
Share premium	10	2 113 010	2 165 991
Other paid in equity		596 446	389 980
Total paid in equity		<u>2 844 133</u>	<u>2 690 648</u>
<i>Retained equity</i>			
Other equity	10	1 001 791	1 045 598
Total retained equity		<u>1 001 791</u>	<u>1 045 598</u>
Total equity		<u>3 845 924</u>	<u>3 736 246</u>
Liabilities			
<i>Long-term liabilities</i>			
Other long-term liabilities		261	257
Total long-term liabilities		<u>261</u>	<u>257</u>
<i>Current liabilities</i>			
Accounts payable		2 706	2 137
Proposed dividend	10	0	1 100 000
Unpaid public fees		146 773	105 755
Other current liabilities		123 451	115 466
Total current liabilities		<u>272 930</u>	<u>1 323 358</u>
Total liabilities		<u>273 191</u>	<u>1 323 615</u>
Total equity and liabilities		<u>4 119 115</u>	<u>5 059 861</u>




Microsoft Development Center Norway AS

Year end 30 June 2023

The Board of Directors for Microsoft Development Center Norway AS

Oslo

15 December 2023 / 15. desember 2023




Keith Ranger Dolliver
(Chair of the board)



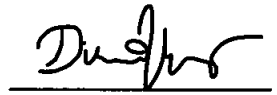
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Kristine Dahl Steidel
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(Board Member)



Dino Ilic
(Board Member - Employee)



Margaux Ledieu
(Board Member - Employee)



Bjørn Olstad
(General Manager)



Microsoft Development Center Norway AS

Cash flow statement

	2023 TNOK	2022 TNOK
Cash flow from operating activities		
Result before tax	-65 309	-133 205
Tax paid during period	-12 233	-87 017
Depreciation	6 768	5 030
Share-based remuneration	206 466	147 736
Change in other current assets and liabilities	49 003	74 160
Change in Accounts payable	569	-32 150
Change in other liabilities	4	4
Change in other receivables	98 590	-159 777
Change in intercompany receivables	835 912	209 552
Total cash flow from operating activities	<u>1 119 770</u>	<u>24 333</u>
Cash flow from investing activities		
Proceeds from sale of fixed assets	324	4 133
Payments for the purchase of fixed assets	-14 594	-12 741
Total cash flow from investing activities	<u>-14 270</u>	<u>-8 608</u>
Cash flow from financing activities		
Payment of dividends	-1 100 000	0
Total cash flow from financing activities	<u>-1 100 000</u>	<u>0</u>
Net cash flow for the year	<u>5 500</u>	<u>15 725</u>
Cash and cash equivalents at 01.07	<u>28 501</u>	<u>12 777</u>
Cash and cash equivalents at 30.06	<u>34 001</u>	<u>28 502</u>



Microsoft Development Center Norway AS

Notes to financial statements

Note 1 - Accounting policies

The Financial Statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles.

Revenue

Revenue includes commission income receivable and amounts derived from the fellow subsidiary in Ireland based on a mark-up on total costs incurred. Revenue is recognised in the period in which the costs are incurred and once the values are approved by the Microsoft group.

Classification and valuation of balance sheet items

Current assets and current liabilities include items due for payment within one year after the balance sheet date. Other items are classified as fixed assets / long-term liabilities.

Current assets are valued at the lower of acquisition cost and fair value. Current liabilities are recognised at their nominal value.

Fixed assets are valued at acquisition cost. Long-term fixed assets with a limited economic life are amortised according to a reasonable depreciation plan. Fixed assets are written down to fair value if impairment is not expected to be temporary. Long term liabilities are recognised at their nominal value.

Receivables

Other receivables are stated in the balance sheet at face value after deduction of provisions for expected losses. Provisions for losses are made on the basis of individual assessment of the individual receivables.

Cash and cash equivalents

Bank deposits, cash etc. include cash, bank deposits and other tender payments that are shorter than three months from purchase.

Cash amounts are swept to Microsoft Global Finance. The Company has access to the Microsoft group cashpool.



Microsoft Development Center Norway AS

Notes to financial statements (continued)

Note 1 - Accounting policies (continued);

Currency

Transactions in foreign currency are converted at the rate at the transaction date. Monetary items in foreign currency are translated into Norwegian kroner using the exchange rate at the balance sheet date. Non-monetary items measured at historical rates expressed in foreign currency are translated into Norwegian kroner using the exchange rate at the transaction date.

Fixed assets

Tangible fixed assets are capitalised and depreciated over the expected economic life of the asset. If the recoverable amount of the asset is lower than the carrying amount, write-downs are made to the recoverable amount. The recoverable amount is the highest of net sales value and value in use. Value in use is the present value of the future cash flows that the asset will generate.

Leases

A lease is recognised as a finance lease when the significant risks and rewards of ownership have been transferred to the Company. In other cases, leases are recognised on an ongoing basis when paying a rental.

Pensions

The Company has a defined contribution pension scheme for its employees. Pension costs are recognized as they are incurred.

Taxes

Tax expense consists of tax payable and changes in deferred tax. Deferred tax is calculated on all differences between the accounting and tax value of assets and liabilities. Deferred tax is calculated at 22% on the basis of the temporary differences that exist between accounting and tax values, as well as tax loss carry forwards at the end of the fiscal year. Net deferred tax assets are capitalised to the extent that it is likely that this can be utilised.

Financial risk

The Company is considered to have adequate capital and has access to borrow group funds. The Company has no debt to financial institutions to be serviced and the Company's current strategy does not include the use of financial instruments. The financial risk is considered to be low.



Microsoft Development Center Norway AS

Notes to financial statements (continued)

Note 1 - Accounting policies (continued);

Market risk

Management monitors and considers market risk on an ongoing basis.

The Company can have intercompany balances or loans with other group entities and hence is affected by overall developments in the interest market. Intercompany balances may be in currencies other than NOK. The Company does not undertake any hedging activities.

Credit risk

The Company is not exposed to a material extent beyond transactions with other group companies, and as a result the credit risk is considered to be low.

Liquidity risk

The Company's current cash reserves together with the cash flow from operations and the availability of financing within the Microsoft group will be sufficient to meet the anticipated need for working capital and investment in the foreseeable future.

Use of estimates

Management has used estimates and assumptions that have affected the income statement and valuation of assets and liabilities, as well as uncertain assets and liabilities at the balance sheet date in the preparation of the annual accounts in accordance with generally accepted accounting principles.

Cash flow

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term, liquid placements.



Microsoft Development Center Norway AS

Notes to financial statements (continued)

Note 2 - Consolidated financial statements

Consolidated financial statements for the Company have not been prepared for the year. The ultimate parent company is Microsoft Corporation which produces consolidated financial statements. Copies of Microsoft Corporation's annual report are available at www.microsoft.com or on written request from the Investor Relations Department, at the registered address; Microsoft Corporation, 1 Microsoft Way, Redmond, Washington, 98052-6399, USA.

Note 3 - Sales revenue

	2023 TNOK	2022 TNOK
<i>Distribution business area</i>		
Commissions	735 501	664 320
	<u>735 501</u>	<u>664 320</u>

	2023 TNOK	2022 TNOK
<i>Geographical distribution</i>		
North America	735 501	664 320
	<u>735 501</u>	<u>664 320</u>



Microsoft Development Center Norway AS

Notes to financial statements (continued)

Note 4 - Staff cost and remuneration to the auditor

	2023 TNOK	2022 TNOK
Salary costs		
Salary	428 054	383 805
Social security contributions	158 532	139 945
Pension costs	32 329	28 583
Share based payments (Note 5)	206 466	147 734
Other benefits	14 812	9 048
Total	840 193	709 115

The average number of employees in 2023 was 388 (2022: 359).

	2023 TNOK	2022 TNOK
General Manager Services		
Salary	4 051	3 578
Pension costs	159	152
Other remuneration	18 055	23 713
	22 265	27 443

The General Manager in the year was Bjørn Olstad.

Bjorn Olstad was awarded 4,399 stock awards in Microsoft Corporation in the period 1 July 2022 to 30 June 2023. To date he has been awarded a total of 294,763 shares, of which 285,756 have been exercised, with 5,497 of these vested between 1 July 2022 to 30 June 2023 and 9,007 were unvested.

Remuneration to the auditor is divided into the following:

	2023 TNOK	2022 TNOK
Statutory audit	914	853
Other services	0	33



Microsoft Development Center Norway AS

Notes to financial statements (continued)

Note 5 - Share based remuneration

The Company participates in the Microsoft Group's share-based remuneration program, whereby employees in the Company are allocated shares in the ultimate parent company. As of 30 June 2023 there are 391 employees in the program. The shares awarded vest incrementally over a 5-year period.

Please refer to the Group's Note for Share-Based Payment for further details.

The fair value of the shares is calculated at the date of allocation and expensed over the 5-year vesting period. The amount charged as a salary expense in 2023 was TNOK 206 466 (2022: TNOK 147 734). Provisions for payroll tax have also been made.

Overview of Awarded Shares:

	2023	2022
	No. of shares	No. of shares
Awarded shares unvested at 01.07	173 846	206 818
Shares awarded	102 140	65 857
Shares vested / earned	-85 294	-102 234
Cancelled shares	-4 300	0
Net transfers	4 444	3 405
Awarded shares unvested at 30.06	190 836	173 846

The share price at grant date is equal to the market price at that date. The redemption price is the stock price at the time of redemption.



Microsoft Development Center Norway AS

Notes to financial statements (continued)

Note 6 - Fixed assets

	Property, plant and Equipment	Asset Retirement Obligation	Total
	TNOK	TNOK	TNOK
Acquisition costs 01.07.22	82 839	92	82 931
Additions	14 594	0	14 594
Transfers	212	0	212
Disposal of assets	-7 508	0	-7 508
Acquisition costs 30.06.23	90 137	92	90 229
Accumulated depreciation	-68 368	-59	-68 427
Carrying amount 30.06.23	21 769	33	21 802
Depreciation for the year	-6 756	-12	-6 768

	Computer Equipment	Property, Plant and Equipment
Useful life	4 Years	10 Years
Depreciation method	linear	linear



Microsoft Development Center Norway AS

Notes to financial statements (continued)

Note 7 - Other operating expense

	2023 TNOK	2022 TNOK
Rent	26 802	25 094
Cleaning	16 086	12 299
Other cost premises	19 540	26 844
Audit fees	914	853
Fees other assistance from auditors	0	33
Travel and other staff costs	2 756	3 478
Total	66 098	68 601

Note 8 - Financial income and expenses

	2023 TNOK	2022 TNOK
Other financial income		
Other interest income	2 683	29
Interest income	109 979	22 016
Foreign exchange gain	2	981
	112 664	23 026

	2023 TNOK	2022 TNOK
Other financial expenses		
Other financial expenses	415	4 649
	415	4 649



Microsoft Development Center Norway AS

Notes to financial statements (continued)

Note 9 - Tax

	2023 TNOK	2022 TNOK
Tax expense for the year comprises of:		
Payable tax	12 233	0
Change in deferred tax asset	19 246	11 031
Tax over / under provided in prior year	0	-189
Total tax cost	<u>31 479</u>	<u>10 842</u>

	2023 TNOK	2022 TNOK
Reconciliation from nominal to actual tax rate:		
Loss before tax expense	-65 309	-133 198
Expected income tax at nominal rate (22% 2023, 22% 2022)	<u>-14 368</u>	<u>-29 304</u>
The tax effect of the following items:		
Other non-deductable expenses	45 847	40 344
Prior period adjustment	0	-189
Other non taxable income	0	-9
Income tax expense	<u>31 479</u>	<u>10 842</u>
Effective tax rate	-48,2%	-8,1%

	2023 TNOK	2022 TNOK
Overview of deferred tax asset		
Fixed Assets	-14 462	-18 308
Share-based payments	17 301	11 224
Deficit to carry forward	0	29 169
Deferred tax asset	<u>2 839</u>	<u>22 085</u>

**Microsoft Development Center Norway AS****Notes to financial statements (continued)****Note 10 - Equity**

	Share capital	Share Premium	Other Paid-in Equity	Other equity	Total
	TNOK	TNOK	TNOK	TNOK	TNOK
Equity at 01.07.22	134 677	2 165 991	389 980	1 045 598	3 736 246
Share-based payments	0	0	206 466	0	206 466
Loss for the year	0	0	0	-96 788	-96 788
Reclassification	0	-52 981	0	52 981	0
Equity 30.06.23	<u>134 677</u>	<u>2 113 010</u>	<u>596 446</u>	<u>1 001 791</u>	<u>3 845 924</u>

There is no proposed dividend for FY23.

Note 11 - Share capital and shareholder information

<i>The share capital consists of:</i>	Number of shares	Nominal value	Carrying amount
Ordinary shares	336 692 975	0,40	134 677 190

<i>Overview of the shareholders of the company at 30.06.23:</i>	Ordinary shares	Ownership	Voting rights
Microsoft Ireland Operations Limited	1 000	100%	100%

The ultimate parent company is Microsoft Corporation, 1 Microsoft Way, Redmond, 98052-6399, USA.



Microsoft Development Center Norway AS

Notes to financial statements (continued)

Note 12 - Transactions and balances with enterprises in the same group and affiliated companies

Transactions:	Counterpart	Relationship with company	2023 TNOK	2022 TNOK
Commissions	Microsoft Corporation	Parent	735 501	664 320
Interest income	Microsoft Global Finance	Group company	109 979	22 016
			<u>845 480</u>	<u>686 336</u>

Balances with related parties:

	Relationship with company	Current assets 2023 TNOK	Current assets 2022 TNOK
Microsoft Global Finance	Group company	3 972 705	4 801 575
Microsoft Ireland Research	Group company	24 817	31 859
		<u>3 997 522</u>	<u>4 833 434</u>

Note 13 - Bank Deposits

Bank deposits include restricted tax deduction assets at year end of TNOK 34 001. The corresponding figure in 2022 was TNOK 28 501.

Note 14 - Arrangements and commitments not shown on the balance sheet

Operating leases

The total operating lease commitments are as follows:

	2023 TNOK	2022 TNOK
Within 1 year	-7 080	-6 916
In 2 to 5 years	-17 546	-23 898
Over 5 years	0	-728
Total	<u>-24 626</u>	<u>-31 542</u>



Microsoft Development Center Norway AS

Notes to financial statements (continued)

Note 14 - Arrangements and commitments not shown on the balance sheet (continued);

Operating lease payments represent rentals payable for the datacenter premises leased by the Company. The remaining lease term is 5 years.

Note 15 - Pensions

The pension scheme is a defined contribution scheme and meets the requirements of having such a scheme per the Act on Mandatory Occupational Pensions. Contributions to the pension fund are recognised as they are incurred.

Note 16 - Public grants

The Company has not received any public grants in 2023.

Note 17 - Collateral and guarantees

There is a rental guarantee of TNOK 3 381.

Note 18 - Contingencies

There are no significant contingencies as of 30 June 2023.

Note 19 - Post balance sheet events

No events occurred after the balance sheet date that would impact significantly on the financial statements.



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To the General Meeting of Microsoft Development Center Norway AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Microsoft Development Center Norway AS (the Company), which comprise the balance sheet as at 30 June 2023, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

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

Other Information

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

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

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

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

Responsibilities of Management for the Financial Statements

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

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Organisasjonsnummer: 980 211 282

Pennco Dokumentnøkkel: Y0GM0-512YK-LVNF-800Q6-D2A5H-DVCGG



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Independent Auditor's Report -
Microsoft Development Center Norway AS

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Oslo, 15 December 2023
Deloitte AS

Eivind Ungersness
State Authorised Public Accountant

Pennco Dokumentnøkkel: Y0GMC-52YK-LJNF-800Q6-D2A5H-DVCGG



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Eivind Ungersness

State Authorised Public Accountant (Norway)

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Vår dato 11.04.2019	Din/Deres dato 29.03.2019	Saksbehandler Torstein Kinden Helleland
800 80 000 Skatteetaten.no	Din/Deres referanse Anne Merete B. Ariansen	Telefon 22078139
Org.nr 974761076	Vår referanse 2019/5597207	Postadresse Postboks 9200 Grønland 0134 OSLO

MICROSOFT NORGE AS
Postboks 274
1326 LYSAKER

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 29. mars 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper;

Microsoft Norge AS	org.nr. 957 485 030
Microsoft Development Center Norway AS	org.nr. 979 158 831
Microsoft Datacenter Norway AS	org.nr. 921 816 561
Microsoft Holdings Norge AS	org.nr. 990 041 814
Fast Search and Transfer International AS	org.nr. 980 313 514

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

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

Bakgrunn

Fra søknaden gjengis:

Eierforhold

Samtlige selskaper eies kun av en utenlandsk eier, Microsoft Corp., med unntak av Fast Search and Transfer International AS, som eies 100 % av Microsoft Development Center Norway AS. Alle selskaper må bruke engelsk for at eierne skal forstå regnskapet og ut fra et konsolideringshensyn, hvilket per i dag medfører en del merarbeid. I tillegg har alle selskaper flere utenlandske styremedlemmer, hvilket også taler for å endre regnskapsspråk. Oppsummert har samtlige selskaper en begrenset eierkrets, der alle selskaper er heleid av en institusjonell eier.

Kunder

Samtlige selskaper retter seg utelukkende mot bedriftsmarkedet. For Microsoft Development Center Norway AS og Microsoft Datacenter Norway AS er all omsetning konsernintern. De resterende selskapene har en vesentlig grad av konserninterne transaksjoner.



Bransje

Samtlige selskaper opererer i en internasjonal bransje, der stor grad av de ansatte har internasjonal bakgrunn og arbeidsspråket er engelsk.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapene inngår i et konsern der konsernspissen er utenlandsk. Arbeidsspråket er engelsk. Selskapets virksomhet er internasjonal. Selskapene har styremedlemmer som er utenlandske. Videre er det vektlagt at sentrale aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Henning Stokke
seniorrådgiver
Juridisk avdeling
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

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