



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 980 450 155
Organisasjonsform: Aksjeselskap
Foretaksnavn: VERIZON NORWAY AS
Forretningsadresse: Lysaker torg 5
1366 LYSAKER

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

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: Sharminee Vimalan
Dato for fastsettelse av årsregnskapet: 26.05.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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, 16.06.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Revenue	2	106 750 401	126 749 470
Sum inntekter		106 750 401	126 749 470
Kostnader			
Cost of Sales		42 649 035	44 969 825
Payroll Expenses	3	14 431 448	18 080 230
Depreciation	9	4 358 336	5 377 597
Bad debts		-522 540	767 262
Other operating expenses	5	40 968 560	50 992 150
Sum kostnader		101 884 839	120 187 064
Driftsresultat		4 865 562	6 562 406
Finansinntekter og finanskostnader			
Other Financial Income	6	11 344 951	23 244 321
Sum finansinntekter		11 344 951	23 244 321
Financial cost	6	13 968 705	18 689 406
Sum finanskostnader		13 968 705	18 689 406
Netto finans		-2 623 754	4 554 915
Ordinært resultat før skattekostnad		2 241 808	11 117 321
Ordinært resultat etter skattekostnad		2 241 808	11 117 321
Årsresultat		2 241 808	11 117 321
Overføringer og disponeringer			
Transfers to other equity	13	2 241 808	11 117 321
Sum overføringer og disponeringer		2 241 808	11 117 321



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Varige driftsmidler			
Infrastructure, network, inventory and other tangible fixed assets	9	16 412 423	20 091 734
Other Long term Receivables		975 992	908 486
Sum varige driftsmidler		17 388 415	21 000 220
Sum anleggsmidler		17 388 415	21 000 220
Omløpsmidler			
Varer			
Fordringer			
Accounts Receivables		20 871 577	27 670 712
Receivables from Group Companies	4	165 835 075	150 758 173
Other short term receivables		6 455 441	18 397 119
Sum fordringer		193 162 093	196 826 004
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	7	1 500	263 456
Sum bankinnskudd, kontanter og lignende		1 500	263 456
Sum omløpsmidler		193 163 593	197 089 460
SUM EIENDELER		210 552 008	218 089 680
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share Capital	12,13	4 750 100	4 750 100
Share Premium	13	26 635 889	26 635 889
Sum innskutt egenkapital		31 385 989	31 385 989



Balanse

Beløp i: NOK	Note	2021	2020
Opptjent egenkapital			
Other Equity	13	128 809 862	126 568 054
Sum opptjent egenkapital		128 809 862	126 568 054
Sum egenkapital		160 195 851	157 954 043
Gjeld			
Langsiktig gjeld			
Other provisions		1 109 534	1 376 970
Sum avsetninger for forpliktelser		1 109 534	1 376 970
Annen langsiktig gjeld			
Sum langsiktig gjeld		1 109 534	1 376 970
Kortsiktig gjeld			
Leverandørgjeld		3 002 473	2 711 060
Unpaid Public Fees		5 754 202	6 279 377
Kortsiktig konserngjeld	4	22 763 523	32 118 819
Other Short term liabilities		17 726 425	17 649 411
Sum kortsiktig gjeld		49 246 623	58 758 667
Sum gjeld		50 356 157	60 135 637
SUM EGENKAPITAL OG GJELD		210 552 008	218 089 680



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Ernst & Young AS

Att.: Rune J. Baukhol

Letter of representations

This letter of representations is provided in connection with your audit of the financial statements of Verizon Norway AS ("the Company") for the year ended 31 December 2021. We recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements present fairly, in all material respects, the financial position of Verizon Norway AS as of 31 December 2021 and of its operations 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.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). This involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial statements and financial records

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated 10.01.2022, for the preparation of the financial statement in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
2. We acknowledge, as members of management of the Company, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above present fairly, in all material respects the financial position, results of operations and cash flows of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and are free of material misstatements, including omissions. We have approved the financial statements.
3. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
4. As members of management of the Company, we believe that the Company has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway that are free from material misstatement, whether due to fraud or error. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we have made to address the effects of the Covid-19 pandemic on our system of internal controls.
5. We believe that the effects of any unadjusted audit differences, summarized in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole

Non-compliance with laws and regulations, including fraud

1. We acknowledge that we are responsible to determine that the Company's business activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws or regulations, including fraud.



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2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud and errors
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any identified or suspected non-compliance with laws or regulations including fraud that may have affected the Company (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:
 - o Involving financial improprieties
 - o Related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Company's financial statements
 - o Related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Company's business, its ability to continue in business, or to avoid material penalties
 - o Involving management, or employees who have significant roles in internal control, or others
 - o In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

Information provided and completeness of information and transactions

1. We have provided you with:
 - o Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters
 - o Additional information that you have requested from us for the purpose of the audit and
 - o Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements, including those related to the Covid-19 pandemic. In our opinion, we have fulfilled our duty to properly register and document the accounting information in accordance with Norwegian law and bookkeeping practice generally accepted in Norway.
3. We have made available to you all minutes of the meetings of shareholders, directors and committees of directors (or summaries of actions of recent meetings for which minutes have not yet been prepared) until this date.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Company's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the end of the period. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
6. We have disclosed to you, and the Company has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
7. We have disclosed to you any cybersecurity breach that either occurred or that third parties (including regulatory agencies, law enforcement agencies and security consultants) had brought to our attention during the period under audit and up to the date of the representation that could potentially be material to the financial statements.



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Assets

1. Except for assets capitalized under finance leases, the Company has satisfactory title to all assets appearing in the balance sheet, and there are no liens or encumbrances on the Company's assets nor has any asset been pledged as collateral, other than those that are disclosed in [Notenummer - pantsettelse] to the financial statements.
2. All assets, including contingent assets, are correctly reflected in the financial statements.

Liabilities and contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent.

Remuneration to the Board, management and employees

1. To the extent required by the Accounting Act sections 7-31 and 7-32 and general financial statements legislations, the financial statements and footnote disclosures contain complete information regarding all agreements made by the managing director, chair of the Board, other board members and other executives with respect to compensation, options/warrants, pension, early retirement and termination rights as well as all loans or collateral provided to Board members, shareholders and employees.
Since 31 December 2021 there has been no changes made to the agreements.
2. No board members, employees or other individuals and/or Companies included in the Limited Liability Companies Act/Public Limited Liability Companies Act section 6-17 have received any compensation violating the regulations of this section.
3. All existing pension agreements have been considered in calculating the Company's pension obligations (this includes defined benefit schemes in insurance companies and unsecured schemes).

Subsequent events

1. No events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the financial statements.

Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises Board of Directors' report.
2. We confirm that the content contained within the other information is consistent with the financial statements and contain the information required by legal requirements.

The declaration is signed electronically

London, 30. May 2022

Verizon Norway AS

Clare Aitkenhead

Clare Aitkenhead
Director Accounting

sharminee vimalan

Sharminee Vimalan
Manager Accounting



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Communication schedule for uncorrected misstatements

Entity: Verizon Norway AS

Period Ended: 31-Dec-2021

Currency: NGK

No.	W/P ref.	Account (Note 1) <small>(misstatements are recorded as journal entries with a description.)</small>	Analysis of misstatements Debit/(Credit)						Income statement effect of the current period		Income statement effect of the prior period					
			Assets Current Debit/(Credit) (Note 2)	Assets Non-current Debit/(Credit) (Note 2)	Liabilities Current Debit/(Credit) (Note 2)	Liabilities Non-current Debit/(Credit) (Note 2)	Equity components Debit/(Credit)	Effect on the current period OCI Debit/(Credit)	Debit/(Credit)	Non taxable	Prior period Debit/(Credit)	Non taxable				
Factual misstatements:																
	PM	Revenue for Eikem (202112 PSEMV0001562.000) for which full value had been deferred but the services were fully provided in FY21 following Project Manager confirmation.			710 599											
		Dr Deferred Revenue			710 599											
		Cr Revenue							(710 599)							
		Dr Transfer Pricing								678 622						
		Cr Intercompany			(678 622)											
		Revenue for Evry for which the projected revenue falls short of the required revenue to achieve an achievement credit, thus we reverse the credit note provision.														
		Dr Credit Note provision	465 395													
		Cr Revenue								(465 395)						
		Dr Transfer pricing				444 452						(268 955)				
		Cr Intercompany	(444 452)									256 852				
		Turnaround audit adjustment: Correction of over-provision in relation to the Evry achievement credit covering the period from October 2019 to September 2020. This achievement credit was not realised in this period and so the full accrued credit was released in FY20. This adjustment is to reclass the released balance relating to FY19 back to the prior period.														
		Dr Revenue											481 345			
		Cr Retained Earnings														
		Dr Retained Earnings														
		Cr Transfer Pricing P/L											(459 684)			
		Turnaround audit adjustment: Reversal of unbilled revenue accrual processed at year end FY19 relating to EVRY AS. This revenue was classed as unbilled revenue in December 2019 as the billings themselves had been issued against an incorrect BAN number and so were not correctly associated with this accrual. This revenue has thus been reclassified to 2020 (against the release of the accrual).														
		Dr Retained Earnings											(770 452)			
		Cr Revenue											735 782			
		Dr Transfer Pricing														
		Cr Retained Earnings														
Judgmental misstatements:																
		Turnaround audit adjustment: Release deferred revenue balance relating to Eikem PSEMV revenue (PSEMV0000586). The revenue in relation to this contract had been fully deferred as at year end due to perceived doubts over the recovery of the outstanding debts. However, the invoices were remaining unpaid until a credit note was issued for additional costs incurred by the customer, which is now approved, thus indicating that the probability of receipt of funds.														
		Dr Deferred Revenue														
		Cr Revenue											(1 091 732)			
		Dr Transfer Pricing											1 042 604			
		Cr Intercompany														
		Turnaround audit adjustment: Under-provision calculated in relation to the Year 2 achievement credit for Norsk Hydro. EY's calculation has taken at a greater credit than that provided for by Verizon and so the below provision is proposed to uplift this balance.														
		Dr Revenue											330 399			
		Cr Credit Note Provision														
		Dr Intercompany														
		Cr Transfer Pricing Expense											(315 531)			
		Turnaround audit adjustment: Difference between recognized revenue and retained earnings by controlling the activity level of the Eikem contract, which led to conclusion that the opening balance of retained earnings should have been credited an extra 306 TNOK														
		Dr Revenue											306 409			
		Cr Opening Retained Earnings														
		Dr Retained Earnings											(282 620)			
		Cr Transfer Pricing														
Total of uncorrected misstatements before income tax			20 943	0	476 429	0	0	0	0	(497 372)			(45 583)			
Total of uncorrected misstatements			20 943	0	476 429	0	0	0	0	(497 372)			(45 583)			
Financial statement amounts																
Effect of uncorrected misstatements on FIS amounts			0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%			0,0%			
Memo: Total of non-taxable items (marked 'X' above)										0			0			
<div style="border: 1px solid black; padding: 5px;"> Do not remove any categories of misstatements above, even if there are no misstatements; removing these categories may adversely affect </div>			Uncorrected misstatements before income tax						0,0%	(497 372)			(45 583)			
			Less: Tax effect of misstatements at current year marginal rate								0				0	
			Uncorrected misstatements in income tax									0				0
			Cumulative effect of uncorrected misstatements after tax but before turnaround								0,0%	(497 372)				(45 583)
			Turnaround effect of prior period uncorrected misstatements													
All factual and projected misstatements:										25 112			25 112			
Judgmental misstatements (Note 3):										0			0			
Cumulative effect of uncorrected misstatements, after turnaround effect								0,0%	(472 260)				(45 583)			



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Verizon Norway AS

Org. 980450155

Annual report 2021

Directors' report

Financial statements

- Profit and loss statement

- Balance sheet

- Cash flow statement

- Notes

Auditor's report



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Verizon Norway AS

Directors' report

Operations and location

The Company

Verizon Norway AS (“the Company”) business address is Lysaker torg, 1366 Lysaker in Norway.

The Company’s main business is to deliver telecom services in Norway.

The Company is a fully owned subsidiary of MK International Limited, org. no. 2571031. This company is indirectly a fully owned subsidiary of Verizon Communications, Inc.

Verizon Communications Inc. headquartered in New York, USA, is the ultimate parent company, and the Company’s results are consolidated into this group’s financial statements.

Verizon Communications Inc. is a global leader in delivering broadband and other wireless and wireline communications services to consumers, businesses, government and wholesale customers. Verizon also delivers integrated business solutions to customers in more than 150 countries, including all of the Fortune 500. A Dow 30 company with \$133,6 billion in 2021 revenues, Verizon Communications employs a diverse workforce of nearly 114,800.

The Verizon Business Group’s segments provides customers with communication services, including voice, broadband, video, data, network access, long distance, security services and other services, to residential and small business customers and carriers, as well as next-generation IP network services and communications solutions to medium and large businesses and government customers globally.



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Verizon Norway AS

Service Agreement

Verizon European Holdings Limited ("VEHL") and Verizon Norway AS ("Company") has an agreement of providing telecommunications services with the effect from 1 January 2007, with amendments effective from 1 January 2010 and 1 January 2019. The agreement can be cancelled by both parties with 3 months written notice. Under the agreement, which is generally referred to as "Service Agreement", the Company provides telecommunications services within Norway to VEHL, and VEHL provides telecommunications services outside Norway to the Company.

The global transfer pricing methodology ("TP") considers the trading activities and risk profiles of the international operating companies of the Verizon Group with respect to non-US markets. TP provides a calculation method for arriving at the arm's length prices to reflect the telecommunication services provided and received by the Company.

When the Company's profit is calculated, the operating result is adjusted by TP in the form of service charges. The Service Agreement has been prepared in accordance with the OECD's guidelines and Norwegian law.

The Company is charged with a service cost of MNOK 15 which is presented as other operating expenses. The service cost is settled quarterly.

Going concern

The accounts are prepared under the assumptions of going concern and the Board of Directors confirms that this assumption is true.

An important factor regarding going concern is the Service Agreement, which creates more predictability and reduces risk factors. The Company is dependent on existing financial agreements as well as services rendered and received according to the Service Agreement. All agreements can be cancelled on three months' notice. However, the Company has not received any notice of the agreements, nor received any indications as such.

Financial risk

The Company is exposed to currency risk, as net intercompany receivables are in USD, the Group's currency.

The Company is part of a group netting arrangement that facilitates an efficient management of intercompany balances within the Group. This includes the transfer of cash within the Group to efficiently optimize the availability of funds to settle liabilities as they fall due. The Company will be in a position to meet its liabilities as they fall due.



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Verizon Norway AS

Working environment and staff

Leave of absence due to illness totalled 0 days (2020: 5 days), which equals 0% (2020: 1.9%) of the total working hours. No cases of personal injuries, material damages, accidents or deaths due to the employees, contractors or third parties in the Company's offices have been reported. The employees in the Company have a good work environment, and no particular new initiatives regarding work environment are implemented in 2020.

Gender equality

The Company strives to be a workplace with equal opportunities, and has a non-discrimination policy. The Company has traditionally recruited from environments equally dominated by both men and women. No specific initiatives have been implemented in 2021. The workload and organization is based on position, not gender. 10% of the employees in 2021 were women. The Company's board consists of 2 men and 1 woman.

Environmental reporting

During the accounting year, the Company conducted its business in accordance with current environmental rules, and does not contribute to polluting the external environment.

Comments on the financial statements

In the Board's opinion, the annual accounts provide a fair presentation of the Company's assets and liabilities, financial position and result as of 31 December 2021. Sales revenues have decreased to MNOK 106,750 (2020: MNOK 126,749). Margins are stable. The net profit of MNOK 2,24 (2020: MNOK 11,12) is lower than the profit from prior year due to foreign exchange loss result.

The total cash flow from operating activities is NOK 417 069. Difference between net operating income and operating activities are mainly caused by changes in Group receivables, but we see as well decrease in trade receivables and decrease short term liabilities. Investments in tangible fixed assets amounts to MNOK 1,5 (2020:MNOK 1,1).

The board expects that the competition on the supply side within the Company's business areas will continue to be strong, and the Company will concentrate its efforts on customer growth, cost control and customer satisfaction. In the boards' opinion, the Company's focus and ability to make adjustments reduces the Company's credit and market risk inherent in a telecom market with increasing pressure on the offering side and considerable customer volatility. Our forecasts are subject to the normal uncertainty that characterizes projections of future conditions.

During the fiscal year 2021, the Company has not had any research and development costs, as these are costs taken centrally and are included as a part of the valid Service Agreement.



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The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the financial statements have been prepared on a going concern basis.

The directors' assessment is that the spread of Coronavirus (COVID-19) and the associated impact on the economy will not have a significant impact on the Company. Whilst there may be some delay in new order completion, there is also a reduction in customers leaving the Company. A significant decline in sales is therefore not expected. Currently, especially with major customers, there are no indications of material bad debts and receivables are being settled on time.

Verizon UK Financing Limited ("VUKF"), a fellow group company, has provided a letter of support confirming its ability to provide the company with the financial support, as necessary, to enable it to meet its obligations for a period not less than 12 months from the adoption of its financial statements for the year ended 31 December 2021. Additionally, VUKF has also received a letter of financial support from the ultimate parent, Verizon Communications Inc., confirming its ability to assist VUKF in meeting its liabilities as and when they fall due, but only to the extent that money is otherwise not available to VUKF to meet such liabilities, for a period of not less than 12 months from date of approval of its financial statements. Additionally, VUKF has also received a letter of financial support from the ultimate parent, Verizon Communications Inc., confirming its ability to assist VUKF in meeting its liabilities as and when they fall due, but only to the extent that money is otherwise not available to VUKF to meet such liabilities, for a period to the 31 December 2023

Subsequent events

Subsequent to the end of the financial year, the COVID-19 outbreak has continued to impact businesses and society to varying degrees. The Government's responses, in dealing with the pandemic, continue to affect normal activity levels across the community, the economy and business operations as it has done so since March 2020.

The rollout of several newly developed vaccines coupled with Government measures should see a gradual and safe return to a more normal, pre pandemic, situation. It is not possible to estimate the impact of the outbreak's near-term and longer effects or Governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the company at this time.

So far, the Company has not seen a significant impact on our business to date. The ongoing pandemic and associated economic effects are not expected to cause a significant impact on the company's ongoing

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results in the short term. The company will continue to monitor the impact on sales, cash flow and bad debt among others, as well as identifying potential new opportunities. There are no current indicators that the level of work will decrease, notwithstanding the pandemic makes predicting cash flows in the short to medium term difficult.

In addition, Verizon continues to monitor the developing situation in Ukraine and the region. The US and other governments have adopted a series of sanctions and export control measures. Verizon is committed to adhere to all applicable laws and regulations and we are currently evaluating the impact on Verizon's limited operations in Russia and Ukraine. Since February 2022, there has been a significant increase in volatility on the securities and currency markets, which Verizon continues to monitor. The Company regards these events as non-adjusting events after the reporting period.

Although neither the Company's performance and going concern nor operations, at the date of this report, have been significantly impacted by the above, Management continues to monitor the evolving situation and its impact on the financial position and results of the Company.

The financial statements have been prepared based upon conditions existing at 31 December 2021 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period.

There are no further subsequent events since year end.

The company has insurance policy to cover Directors and officers and outside Directorship liability.

Results and allocation

The Board proposes the following allocation of net profit in Verizon Norway AS:

Transferred to other equity:	2 241 808
Total allocations:	2 241 808

Oslo, 26 May 2022
Francesco De Maio

Francesco Cesare De Maio
Chairman of the Board

Clare Aitkenhead

Clare Brenda Aitkenhead
Board member

Hans Christian Donjem

Hans Christian Donjem
Board member

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Verizon Norway AS

Profit and loss statement January 1 - December 31, 2021 All numbers are in NOK

	Note	2021	2020
Operating income			
Revenue	2	106 750 401	126 749 470
Total operating income		106 750 401	126 749 470
Operating cost			
Cost of sales		42 649 035	44 969 825
Payroll expenses	3	14 431 448	18 080 230
Depreciation	9	4 358 336	5 377 597
Bad debt expense		-522 540	767 262
Other operating expenses	5	40 968 560	50 992 150
Total operating costs		101 884 839	120 187 065
Operating profit		4 865 562	6 562 405
Financial income and costs			
Financial income		11 344 951	23 244 321
Financial cost		13 968 705	18 689 406
Net financial items		-2 623 754	4 554 915
Profit before tax		2 241 808	11 117 320
Income tax expense	11	0	0
Net profit for the year		2 241 808	11 117 320
Transfers and allocations			
Transfers to other equity	13	2 241 808	11 117 320
Total transfers		2 241 808	11 117 320

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Verizon Norway AS

Balance sheet as of December 31

	Note	2021	2020
All numbers are in NOK			
ASSETS			
Non-current assets			
<i>Fixed assets</i>			
	9		
Infrastructure, network, inventory and other tangible assets		16 412 423	20 091 734
Other Long Term Receivables		975 992	908 486
		<hr/>	<hr/>
Total non-current assets		17 388 415	21 000 220
Current assets			
<i>Receivables</i>			
Accounts receivable		20 871 577	27 670 712
Receivables from Group companies	4	165 835 075	150 758 173
Other short-term receivables		6 455 441	18 397 119
Total receivables		193 162 094	196 826 004
Cash and cash equivalents	7	1 500	263 456
Total current assets		193 163 594	197 089 460
Total assets		210 552 009	218 089 681

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Verizon Norway AS

		2021	2020
Balance sheet as at December 31			
Equity and liabilities - All numbers in NOK			
<i>Equity</i>			
Share capital	12, 13	4 750 100	4 750 100
Share premiums	13	26 635 889	26 635 889
Total share capital		31 385 989	31 385 989
<i>Retained earnings</i>			
Other equity	13	128 809 862	126 568 054
Total equity		160 195 851	157 954 043
Liabilities			
<i>Provisions</i>			
Other provisions		1 109 534	1 376 970
Total provisions		1 109 534	1 376 970
<i>Current liabilities</i>			
Trade payables		3 002 473	2 711 060
Unpaid public fees		5 754 202	6 279 377
Payables to group companies	4	22 763 523	32 118 819
Other short-term liabilities		17 726 424	17 649 411
Total current liabilities		49 246 622	58 758 666
Total liabilities		50 356 156	60 135 637
Total equity and liabilities		210 552 008	218 089 680

Francesco De Maio

Francesco Cesare De Maio
Chairman of the Board

Oslo, 26 May 2022

Hans Christian Donjem
Board member

Clare Aitkenhead

Clare Brenda Aitkenhead
Board member



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Verizon Norway AS

Cash flow statement as of December 31

	2021	2020
All numbers in NOK		
Cash flow from operating activities		
Profit/loss before tax	2 241 808	11 117 320
Depreciation, amortisation and write-off of fixed assets	4 358 336	5 377 597
Change in inventories, trade receivables and payables	7 090 548	-12 983 488
Differences in pension funds / liabilities	0	0
Other timing differences	11 158 574	3 936 198
Changes in intercompany accounts	-24 432 198	-7 187 966
Total cash flow from operating activities	417 069	259 661
Cash flow from investing activities		
Proceeds from sale of fixed assets	-679 025	-1 144 655
Total cash flow from investing activities	-679 025	-1 144 655
Net cash flow for the year	- 261 956	- 884 994
Cash and cash equivalents at 01.01	263 256	1 148 450
Cash and cash equivalents at 31.12	1 500	263 256



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Verizon Norway AS

Notes to financial statements

Note 1 - Accounting policies

Basic principles

The financial statements, which have been presented in compliance with the Norwegian Companies Act, the Norwegian Accounting Act and Norwegian generally accepted accounting principles in effect as of December 31, 2021, consist of the profit and loss account, balance sheet, cash flow statement and notes to the accounts. The financial statements have been prepared based on the fundamental principles governing historical cost accounting, comparability, continued operations, congruence and prudence. Transactions are recorded at their value at the time of the transaction. Income is recognized at the time of delivery of services. Costs are expensed in the same period as the income to which they relate. Costs that cannot be directly related to income are expensed as incurred. Accounting principles are elaborated below. When actual figures are not available as of December 31, generally accepted accounting principles require the management to use best estimate in the income statement and balance sheet. There may be discrepancies between estimated and actual figures.

Changes in accounting policy

The effect of changes in principles and correction of errors in previous financial statements are measured at the time of opening balance. Effects of changes in equity are recognised against equity. The comparative figures in the balance sheet are restated according to the new principles.

Related party disclosures

The financial statements include complete information regarding transactions with related parties as required by the Norwegian Accounting Act.

Revenue recognition

Revenue is normally recognized at the time of delivery of services. Operating revenues related to voice, data and VoIP have been reduced for value added tax, discounts and bonuses. Invoicing is done mainly at the end of each month.

The Wireline segment earns revenue based upon usage of our network and facilities and contract fees. In general, fixed monthly fees for local telephone, long distance and certain other services are billed one month in advance and recognized the following month when earned. Revenue from services that are not fixed in amount and are based on usage are recognized when such services are provided.

We recognise equipment revenue for services, in which we bundle the equipment with maintenance and monitoring services, when the equipment is installed in accordance with contractual specifications and ready for the customer's use. The maintenance and monitoring services are recognized monthly over the term of the contract as we provide the services.

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Verizon Norway AS

Notes to financial statements (continued)

Cost recognition/matching

Costs are expensed in the same period as the income to which they relate is recognized. Costs that cannot be directly related to income are expensed as incurred.

Receivables

Receivables are accounted for at face value with deduction for expected loss.

Foreign currency

The recorded value of monetary items denominated in foreign currency is based on year end exchange rates.

Fixed assets/long-term debt

Assets are valued at cost and written down if impaired and the decline in value is not temporary. Long-term debt is valued at its nominal amount.

Fixed assets are entered into the accounts at historical cost, with deductions for accumulated depreciation and write-down. Fixed tangible assets are depreciated straight lined over the expected life of the assets if it is more than three year and the cost price is above NOK 15 000. The useful economic life of the fixed assets is evaluated consecutively. Depreciation is classified as an operating cost. Maintenance of tangible assets is treated as other operating expense. Enhancements are capitalized and depreciated together with the tangible fixed asset in question. The distinction between maintenance and enhancement is based on the condition of the asset when it was acquired.

Leases

Lease contracts with terms that transfer the majority of economic benefits and obligations to Verizon Norway AS (finance lease) are capitalized in the balance sheet, and the present value of the minimum lease cost is included as interest bearing debt. Leases in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Operating lease costs are expensed as a regular leasing cost, and are classified as an operating cost. Verizon Norway AS has only operating lease contracts where the lease payments are accounted for on a straight line basis over the estimated useful lives.

Current assets / liabilities

Assets/liabilities related to current business activities and items which fall due within one year are classified as current assets/liabilities. Other assets/liabilities are classified as long term. Current assets are valued at the lower of cost and market value. Short-term debt is valued at nominal amount.

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Verizon Norway AS

Notes to financial statements (continued)

Other income (costs)

Material income and cost which are not related day to day operations are classified as other operating income (costs). Items that are unusual, irregular and material are classified as extraordinary items.

Pensions

Under defined contribution pension schemes, the company does not commit itself to paying specified future pension benefits, but makes annual contributions to the employees' pension savings. Future pensions will depend on the size of annual contributions and the annual return on pension savings. After paying annual contributions, the company has no further commitments linked to employees' work performance. The expenses following from the defined contribution pension schemes are recognized in the income statement.

Verizon Norway AS is obliged to follow, and complies with, the Act on Mandatory company pension. The company has a pension scheme according to the requirement set in this Act.

Cash flow statement

The cash flow statement is compiled using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments with terms not exceeding three months that immediately, and with no material exchange rate exposure, can be exchanged for cash.

Taxes

Tax expense in the income statement includes both the tax payable during the period and changes in deferred tax. Deferred tax is calculated at 22% (2020: 22%) of the temporary differences between book values as well as taxable values and any taxable loss carried forward. Temporary differences that can be reversed in the same period are netted off.



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Verizon Norway AS

Notes to financial statements (continued)

Service Agreement

There exists an agreement between Verizon European Holdings Limited (“VEHL”) and Verizon Norway AS (“Company”) in relation to the provision of telecommunications services with the effect from January 1, 2007, as amended by an agreement effective January 1, 2010 and January 1, 2019. The agreement can be cancelled by both parties with three months’ written notice. Under the agreement, which is generally referred to as Services Agreement, the Company provides telecommunications services within Norway to the VEHL, and the VEHL provides services outside Norway to the Company.

The global transfer pricing methodology (“TP”) considers the trading activities and risk profiles of the international operating companies of the Verizon Group with respect to non-US markets. TP provides a calculation for arriving at the arm’s length price for the telecommunication services using an economically valid basis to split the Operating Profit to reflect the telecommunication services provided and received by the Company.

When the Company’s profit is calculated, the operational result is adjusted by TP in the form of service costs. The Service Agreement has been prepared in accordance with the OECD’s guidelines and Norwegian law. The service cost is settled quarterly.



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Verizon Norway AS

Notes to financial statements (continued)

Note 2 - Sales revenue

	2021	2020
<i>Business segments</i>		
Strategic networking	59 640 559	69 362 067
Security, cloud and IT services	29 021 210	33 727 965
Managed network	10 941 745	10 630 700
Other	7 146 888	13 028 739
Total income	106 750 401	126 749 470

Note 3 - Staff cost and remuneration to the auditor

	2021	2020
<i>Salary and personnel costs</i>		
Payroll	10 133 561	12 529 456
Social security costs	1 976 552	2 254 972
Pension costs	1 003 128	1 241 048
Other employee related costs	1 318 208	2 054 754
Total	14 431 448	18 080 230

Average number of employees in 2021 and 2020 were 10 and 12, respectively.



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Verizon Norway AS

Notes to financial statements (continued)

Note 3 - Staff cost and remuneration to the auditor (continued);

Salary and pension costs are charged to the company through Service Fees. The Board of Directors have not received any salary. Remuneration to Members of the Board in connection with termination of the employment or assignment will not be charged to Verizon Norway AS. No loans have been granted nor guarantees pledged to the Members of the Board or other related parties.

<i>Remuneration to the auditor is divided into the following:</i>	2021	2020
Statutory audit fees	475 000	475 000
Tax advisory fee	76 684	70 113
Total	551 684	545 113

VAT is not included in the fees specified above.

Note 4 - Transactions with enterprises in the same group and affiliated companies

<i>Receivables</i>	2021	2020
Short-term receivables from companies in the same group	151 190 008	133 552 943
Deposits in cash pool arrangement	14 645 068	17 205 230
Total	165 835 075	150 758 173

<i>Liabilities</i>	2021	2020
Short-term liabilities to companies in the same group	22 763 523	32 118 819
Total	22 763 523	32 118 819

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The European Verizon companies have established a netting arrangement that facilitates the efficient management of inter-company balances with the group. This includes the transfer of cash within the group. The inter-company balances as of 31 December 2021 are included in the netting arrangement.



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Notes to financial statements (continued)

Note 5 - Other operating expenses

	2021	2020
Service fee	15 384 294	23 053 968
Office rent	4 918 360	4 562 019
Maintenance	961 442	1 658 325
Other operating expenses	19 704 464	21 717 838
Total	40 968 560	50 992 150

The methodology used in calculation of the Transfer Pricing allocation is described in Note 1.

Note 6 - Financial income and expenses

	2021	2020
<i>Financial income</i>		
Interest income from group companies	350 688	205 927
Other interest income	2 130 832	826 484
Foreign exchange rate income	8 863 432	22 211 910
Total	11 344 951	23 244 321



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Notes to financial statements (continued)

Note 6 - Financial income and expenses (continued);

	2021	2020
<i>Financial expenses</i>		
Interest expense to group companies	56 726	128 732
Other interest expense	13 672	7 853
Foreign exchange rate losses	13 811 860	18 459 761
Other financial expenses	86 447	93 061
Total	13 968 705	18 689 406

Note 7 - Bank Deposits

The company has restricted cash of NOK 0 as of December 31, 2021 related to employees' withholding tax.

Note 8 - Pensions

Verizon Norway AS is obliged to follow and comply with the Act on Mandatory Company Pensions. The company has a pension scheme according to the requirement set in this Act.

As of 31.12.21 there were 10 employees in the defined contribution scheme. The defined contribution pension scheme is recognized in the income statement.

The company's pension fund is not posted to the balance. The expenses following from the defined contribution pension schemes are recognized in the income statement. The pension premium was NOK 1 003 128 (2020; NOK 1 241 048) which was covered by the pension fund and the defined contribution fund.



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Verizon Norway AS

Notes to financial statements (continued)

Note 9 - Fixed assets

	Infrastructure in lease premises	Fibre-optic equipment	Work in progress	Inventory / Other tangible assets	Asset removal obligation	Total
Acquisition costs						
01.01	50 324 068	104 935 845	52 467	24 112 654	1 109 534	180 534 568
Adjustment						
Acquisition Cost	0	0	0	0	0	0
Additions	947 186	567 103	7 608	52 408	0	1 574 304
Disposal of assets	0	0	0	-223 979	0	-223 979
Transfers	0	52 467	-52 467	0	0	0
Adjustments manual accounts	-895 279	0	0	0	0	-895 279
Acquisition costs						
31.12.21	50 375 974	105 555 415	7 608	23 941 082	1 109 534	180 989 613
Adjustment	0		0	-223 979		-223 979
Accumulated depreciation	42 342 848	100 900 135	0	20 224 673	1 109 534	164 577 190
Carrying amount						
31.12.21	8 033 126	4 655 280	7 608	3 716 409	0	16 412 423
Depreciation for the year	1 611 883	2 287 615	0	458 838	0	4 358 336

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Notes to financial statements (continued)

Note 10 - Leases

The company is leasing offices in Hans Møller Gasmansvei, Lysaker Torg and Elisenbergveien. In compliance with N-GAAP these lease contracts have not been capitalised as they are not considered to be financial leases.

The company has booked an asset retirement obligation of NOK 1 109 534 to bring the leased buildings back to original construction. The same amount is capitalised as fixed assets and will be expensed during the remaining rental period.

		2021
	<i>Lease expiry</i>	
<i>The company is renting the following premises:</i>		
Lysaker Torg	30-11-22	1 478 620
Hans Møller Gasmansvei	31-12-25	2 947 183
Elisenberg-veien	31-12-22	1 647 612



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Notes to financial statements (continued)

Note 11 - Tax

Reconciliation of tax expense against ordinary profit before taxes	2021	2020
22% of profit before taxes (2019, 22%)	493 198	2 445 810
Unrecognised change in deferred tax asset	-493 198	-2 445 810
Tax effect of permanent differences	0	0
Tax expense	0	0

<i>Calculation of the tax base for the year:</i>	2021	2020
Profit before taxes	2 241 808	11 117 320
Permanent differences	0	0
Changes in temporary differences	-751 981	1 915 396
Tax base of the year	1 489 827	13 032 716
Use of carry forward tax losses	1 489 827	13 032 716
Total taxes payable (22% of the tax base for the year)	0	0

<i>Summary of temporary differences</i>	2021	2020
Non-current assets incl. goodwill	-1 012 802	- 585 015
Current inventory	- 883 725	-2 063 493
Provisions for losses on receivables	-1 109 534	-1 109 534
Net tax losses carried forward	-52 404 688	-53 894 518
Net temporary differences at 31.12	-55 410 749	-57 652 560
Total Deferred tax asset / Deferred tax (22%)	-12 190 365	-12 683 563

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Notes to financial statements (continued)

Note 12 - Share capital and shareholder information

The share capital consists of:	Number of shares	Nominal value
Ordinary shares	47 501	100

Overview of the shareholders of the company at 31.12:	Ordinary shares	Ownership	Voting rights
MK International Ltd	47 501	100%	100%

Note 13 - Equity

	Share capital	Premium shares	Other equity	Total
Equity 01.01	4 750 100	26 635 889	126 568 054	157 954 043
Profit	0	0	2 241 808	2 241 808
Equity 31.12	4 750 100	26 635 889	128 809 862	160 195 851

The share capital of NOK 4 750 100 consists of 47,501 shares of NOK 100. All shares carry the same voting rights.

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zDenne protokollen er utarbeidet både på norsk og engelsk. Dersom det skulle vise seg å være uoverensstemmelser mellom de to versjonene, skal den norske versjonen ha forrang.

These minutes have been prepared in both Norwegian and English. In case of any discrepancy between the two versions, the Norwegian version shall prevail.

PROTOKOLL FRA ORDINÆR GENERALFORSAMLING I VERIZON NORWAY AS	MINUTES FROM AN ORDINARY GENERAL MEETING IN VERIZON NORWAY AS
<p>Ordinær generalforsamling i Verizon Norway AS ("Selskapet") ble avholdt den 31. mai 2022 ved sirkulasjon av saksdokumentene og protokollen.</p> <p>Generalforsamlingen ble avholdt etter reglene i aksjeloven § 5-7 om forenklet generalforsamlingsbehandling.</p> <p>Samtlige aksjeeiere i Selskapet har samtykket til at sakene på dagsordenen kan behandles etter aksjeloven § 5-7, og har blitt gitt mulighet til å delta i behandlingen av sakene på dagsordenen. Styremedlemmene og revisor har blitt gitt mulighet til å uttale seg om sakene, uten at dette har avstedkommet krav om at sakene skal behandles av generalforsamlingen i møte.</p> <p>Eneaksjeeier MK International Limited, representert av Clare Aitkenhead etter fullmakt, deltok i behandlingen. Samtlige aksjer og stemmer var dermed representert.</p> <p>Til behandling forelå:</p> <p>1. GODKJENNELSE AV DAGSORDEN Det fremkom ingen merknader til dagsorden, som begge ble godkjent.</p> <p>2. GODKJENNELSE AV ÅRSREGNSKAP OG ÅRSBERETNING FOR 2021</p> <p>Selskapets årsregnskap, herunder resultatregnskap og balanse for 2021, samt styrets årsberetning og revisjonsberetningen ble presentert og gjennomgått. Det fremkom ingen bemerkninger til dokumentene.</p> <p>Selskapets årsregnskap ble fastsatt i overensstemmelse med styrets forslag.</p> <p>Resultatregnskapet viser et resultat for året med overskudd på NOK 2 241 808.</p> <p>Generalforsamlingen besluttet å godkjenne årsoppgjøret, og besluttet i samsvar med styrets</p>	<p>An ordinary general meeting in Verizon Norway AS (the "Company") was held on 31 May 2022 by circulation of the relevant documents and the minutes.</p> <p>The general meeting was held in accordance with section 5-7 in the Companies Act regarding simplified procedure for the general meeting.</p> <p>All shareholders in the Company have approved that the items on the agenda shall be deliberated in accordance with section 5-7 of the Companies Act, and have been given the opportunity to attend the deliberation of the items in a suitable manner. The board members and the auditor have been given the opportunity to give their view on the matters on the agenda, without this resulting in a demand to have the items deliberated by the general meeting in a meeting.</p> <p>The sole shareholder MK International Limited, represented by Clare Aitkenhead by proxy, participated in the general meeting. All of the shares and votes were thus represented.</p> <p>The following was to be dealt with:</p> <p>1. APPROVAL OF THE AGENDA There were no comments to the agenda, and the agenda was approved.</p> <p>2. APPROVAL OF THE ANNUAL ACCOUNTS AND THE ANNUAL REPORT FOR 2021</p> <p>The Company's 2021 annual accounts, including the result accounting and balance sheet, as well as the Board of Directors' annual report and the auditor's report were presented and reviewed. No comments were made to the documents.</p> <p>The Company's annual accounts were adopted, in accordance with the Board of Directors' proposal.</p> <p>The result accounting of the year was a profit of NOK 2,241,808.</p> <p>The general meeting resolved to approve the annual settlement, and resolved, in accordance with the proposal from the Board of Directors, to</p>

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<p>forslag å overføre resultatet på NOK 2 241 808 til annen egenkapital.</p>	<p>allocate the annual results of NOK 2,241,808 to other equity.</p>
<p>3. FASTSETTELSE AV STYREGODTGJØRELSE</p> <p>Det var ikke fremmet forslag om styregodtgjørelse til selskapets styremedlemmer.</p>	<p>3. APPROVAL OF FEE TO THE BOARD OF DIRECTORS</p> <p>It was not proposed to pay specific remuneration to the directors.</p>
<p>4. GODKJENNELSE AV REVISORS GODTGJØRELSE</p> <p>Generalforsamlingen besluttet, i samsvar med styrets forslag, at revisors godtgjørelse stor NOK 551 684 godkjennes, hvorav andre revisorhonorar utgjør NOK 76 684.</p> <p>Alle beslutninger var enstemmige.</p> <p>Det forelå ikke flere saker til behandling og møtet ble hevet og protokollen undertegnet og sendt samtlige aksjonærer.</p>	<p>4. APPROVAL OF THE AUDITOR'S FEES</p> <p>The General Meeting resolved, in accordance with the proposal from the Board of Directors, to approve the auditor's remuneration in the amount of NOK 551,684, of which NOK 76,684 are other fees than the statutory audit fee.</p> <p>All decisions were unanimous.</p> <p>There were no further matters to be dealt with and the meeting was adjourned. The minutes were signed and distributed to all shareholders.</p>

Clare Aitkenhead

Clare Aitkenhead



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**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS
OF
VERIZON NORWAY AS**

On 31 May 2022 a meeting of the board of directors was held in Verizon Norway AS, reg.no. 980 450 155 (the "**Company**") by circulation of the minutes for signature by all directors.

The following issues were dealt with:

1. Proposal to approve the 2021 annual accounts and the annual report

The draft 2021 annual accounts consisting of profit and loss account, balance sheet and annual report were reviewed. No comments were made to the draft annual accounts.

The proposed profit and loss account shows a profit for the year of NOK 2,241,808.

The board of directors approved the draft annual accounts and resolved to propose to the general meeting that the draft annual accounts be adopted as the 2021 annual accounts of the Company.

The board of directors resolved to propose to the general meeting to allocate the annual results of NOK 2,241,808 to other equity.

2. Board of directors fees

The board resolved to propose to the general meeting not to pay any board member fees to the board of directors.

3. Remuneration to the auditor

The board of directors resolved to propose to the general meeting to approve the auditor's remuneration in the amount of NOK 551,684, of which NOK 76,684 are other fees than the statutory audit fee.

4. Notice of an ordinary general meeting

The board of directors resolved to grant the chairman of the board of directors a power of attorney to convene an ordinary general meeting in the Company on 31 May 2022 with the following agenda:



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1. Approval of the agenda
2. Approval of the annual accounts and the annual report for 2021
3. Approval of fee to the board of directors
4. Approval of the auditor's fee

All resolutions were unanimous. There were no other issues on the agenda, and the meeting was adjourned.

Francesco De Maio

Clare Aitkenhead

Hans-Christian Donjem

Francesco Cesare De Maio
(Chairman)

Clare Brenda
Aitkenhead
(Board Member)

Hans-Christian Donjem
(Board Member)



Statsautoriserte revisorer
Ernst & Young AS

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2619 Lillehammer

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www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Verizon Norway AS

Opinion

We have audited the financial statements of Verizon Norway AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and statement of cash flows 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 legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2021 and its financial performance and 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 in accordance with the requirements of the 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

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors) is responsible for the other information. Our opinion on the financial statements does not cover the other information, 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 other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the



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going concern basis of accounting unless management either intends to liquidate the Company 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 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 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, 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 fair presentation.

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.

Lillehammer, 30 May 2022
ERNST & YOUNG AS

The auditor's report is signed electronically

Rune J. Baukhol
State Authorised Public Accountant (Norway)

Independent auditor's report - Verizon Norway AS 2021

A member firm of Ernst & Young Global Limited

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Rune Johannes Baukhol

Oppdragsansvarlig partner

Serienummer: 9578-5999-4-1261839

IP: 213.52.xxx.xxx

2022-05-30 18:19:43 UTC



Rune Johannes Baukhol

Statsautorisert revisor

Serienummer: 9578-5999-4-1261839

IP: 213.52.xxx.xxx

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Tax Administration Norway

Inquiries to Torstein Kinden Helleland	Your date 30.04.2018	Our date 30.05.2018
Telephone 22078139	Your reference Clare Aitkenhead	Our reference 2018/689211

VERIZON NORWAY AS
Postboks 258
1326 LYSAKER

Permission to prepare the annual accounts and directors' report in English language for Verizon Norway AS, org.nr. 980 450 155

With reference to your letter received 30 April 2018 with respect to the above matter regarding Verizon Norway AS.

Based on a total evaluation, the view of The Directorate of Taxes is that Verizon Norway AS may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

Background

From your letter:

Verizon Norway is a telecom company with headquarters in Oslo. The Company's main business is to deliver telecom services to Norwegian companies. All key players and partners in this industry speak and use English. The Company also uses English as the working language and reports all information in English. For more information about the Company's industry/operations, please refer to our web site www.verizon.com

Verizon Norway AS is fully owned subsidiary of MK international Limited, org, no 2571031. MK International limited is indirectly a fully owned subsidiary of Verizon Communication Inc with headquartered in New York City. Verizon Norway's results are consolidated into this group's financial statements.

There are no other issues regarding the Company's financing implying the need for financial statements in Norwegian.

Permission to make the annual accounts and the directors' report in Norway in English language

According to the Norwegian Accounting Act § 3-4, third paragraph shall "the directors' report and annual accounts ... be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language".

Postal address P.O. Box 9200 Grønland 0134 Oslo skatteetaten.no/sendepost	Visiting address: See www.skatteetaten.no Org.nr: 996250318	Telephone 800 80 000 Telefax 22 17 08 60
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Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

“The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information.”

Hence, one of the main aims of the Accounting Act is to contribute to “informative accounts for different users of accounts”. The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors’ report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information which has to be taken into consideration when considering the application for permission. In this assessment, the Directorate of Taxes has emphasized that the company is a fully owned subsidiary of a foreign company. The company is a part of an international group. All key players and partners in this industry speak and use English.

Please state “our reference” (see above) in all written communication with The Norwegian Tax Authorities.

Best regards

Rune Tystad
Senior Adviser
Rettsavdelingen, foretaksskatt
Norwegian Directorate of Taxes

Torstein Kinden Helleland

This document has been electronically approved and contains therefore no handwritten signatures