



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - 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:	01.07.2021 - 30.06.2022
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Konsern

Morselskap i konsern:	Nei
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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. Ariansen
Dato for fastsettelse av årsregnskapet:	30.12.2022

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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, 04.02.2024



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt	3	664 320 000	583 433 000
Sum inntekter		664 320 000	583 433 000
Kostnader			
Lønnskostnad	4	709 115 000	597 620 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	10	5 030 000	6 315 000
Annen driftskostnad	5	68 601 000	54 555 000
Sum kostnader		782 746 000	658 490 000
Driftsresultat		-118 426 000	-75 057 000
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap		-33 156 000	33 156 000
Annen finansinntekt	6	23 026 000	47 458 000
Sum finansinntekter		-10 130 000	80 614 000
Annen finanskostnad	6	4 649 000	347 022 000
Sum finanskostnader		4 649 000	347 022 000
Netto finans		-14 779 000	-266 408 000
Ordinært resultat før skattekostnad		-133 205 000	-341 465 000
Skattekostnad på ordinært resultat	7	10 842 000	29 371 000
Ordinært resultat etter skattekostnad		-144 047 000	-370 836 000
Årsresultat		-144 047 000	-370 836 000
Overføringer og disponeringer			
Overføring til/fra fond	13	147 734 000	116 220 000
Ordinært utbytte	13	0	1 100 000 000
Overføringer til/fra annen egenkapital	13	-291 781 000	-1 587 056 000
Sum overføringer og disponeringer		-144 047 000	-370 836 000



Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	7	22 085 000	32 927 000
Sum immaterielle eiendeler		22 085 000	32 927 000
Varige driftsmidler			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	10	14 300 000	10 722 000
Sum varige driftsmidler		14 300 000	10 722 000
Sum anleggsmidler		36 385 000	43 649 000
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		161 541 000	1 763 000
Konsernfordringer	9	4 833 434 000	5 042 986 000
Sum fordringer		4 994 975 000	5 044 749 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	11	28 501 000	12 777 000
Sum bankinnskudd, kontanter og lignende		28 501 000	12 777 000
Sum omløpsmidler		5 023 476 000	5 057 526 000
SUM EIENDELER		5 059 861 000	5 101 175 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	12,13	134 677 000	134 677 000
Overkurs	13	2 165 991 000	2 165 991 000
Ikke registrert kapitalforhøyelse		242 246 000	242 246 000



Balanse

Beløp i: NOK	Note	2022	2021
Sum innskutt egenkapital		2 542 914 000	2 542 914 000
Opptjent egenkapital			
Annen egenkapital	13	1 193 332 000	1 189 643 000
Sum opptjent egenkapital		1 193 332 000	1 189 643 000
Sum egenkapital		3 736 246 000	3 732 557 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Øvrig langsiktig gjeld		257 000	253 000
Sum annen langsiktig gjeld		257 000	253 000
Sum langsiktig gjeld		257 000	253 000
Kortsiktig gjeld			
Leverandørgjeld		2 137 000	1 442 000
Betalbar skatt	7	0	66 988 000
Skyldige offentlige avgifter		105 755 000	66 693 000
Utbytte	13	1 100 000 000	1 100 000 000
Kortsiktig konserngjeld	9	0	32 845 000
Annen kortsiktig gjeld		115 466 000	100 397 000
Sum kortsiktig gjeld		1 323 358 000	1 368 365 000
Sum gjeld		1 323 615 000	1 368 618 000
SUM EGENKAPITAL OG GJELD		5 059 861 000	5 101 175 000



Microsoft
Development
Center Norway AS

Annual report for the year ended 30 June 2022

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 2021 to 30 June 2022

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 583 433 in 2021 to TNOK 664 320 in 2022.

Operating loss before interest and tax has increased from TNOK -75 057 in 2021 to TNOK -118 426 in 2022.

The Company's net assets have increased from TNOK 3 732 557 in 2021 to TNOK 3 736 246 in 2022.



Microsoft Development Center Norway AS

Directors report for the period 1 July 2021 to 30 June 2022

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 434 days, which amounts to 0.46% of total working days in the year. There have not been any reported serious work accidents during the year.

Equality

Consideration is given to gender equality within the workplace and throughout the recruitment process. At the end of FY22 the company had 371 employees, of which 19% were women and 81% were men.

The management team consists of 7 persons, of which 14% are women and 86% are men. For manager level and above, 18% are women and 82% are men. For levels below manager, 36% are women and 64% 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 17%. Divided by level, women's share of total pay during the year was 16% for manager level and above, and 40% for levels below manager.

The company does not have any part-time employees.

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.

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Directors report for the period 1 July 2021 to 30 June 2022

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:

	2022 TNOK	2021 TNOK
Transferred from other paid-in equity	147 734	116 220
Transfers to/from other equity	-291 781	-1 587 056
Proposed dividend	0	1 100 000
Total Transfers	-144 047	-370 836

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Microsoft Development Center Norway AS

Directors report for the period 1 July 2021 to 30 June 2022

The Board of Directors for Microsoft Development Center Norway AS

Oslo

30 December 2022

Keith Ranger Dolliver
(Chair of the board)

Benjamin Ower Orndorff
(Board Member)

Kristine Dahl Steidel
(Board Member)

Fergus Matthews
(Board Member)

Helge Grenager Solheim
(Board Member - Employee)

Natalia An
(Board Member - Employee)

Bjørn Olstad
(General Manager)

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Profit and loss statement

	Note	2022 TNOK	2021 TNOK
Operating income			
Revenue	3	664 320	583 433
Total operating income		<u>664 320</u>	<u>583 433</u>
Operating cost			
Payroll expenses	4	709 115	597 620
Depreciation	10	5 030	6 315
Other operating expenses	5	68 601	54 555
Total operating costs		<u>782 746</u>	<u>658 490</u>
Operating loss		<u>-118 426</u>	<u>-75 057</u>
Financial income and financial costs			
Gain on sale of the investment in subsidiary		-33 156	33 156
Other financial income	6	23 026	47 458
Other financial expenses	6	-4 649	-347 022
Net financial items		<u>-14 779</u>	<u>-266 408</u>
Loss before tax		<u>-133 205</u>	<u>-341 465</u>
Taxes on ordinary result	7	<u>10 842</u>	<u>29 371</u>
Loss for the year		<u>-144 047</u>	<u>-370 836</u>
Transfers and allocations			
Transferred from other paid-in equity	13	147 734	116 220
Transfers to/from other equity	13	-291 781	-1 587 056
Proposed dividend	13	0	1 100 000
Total transfers		<u>-144 047</u>	<u>-370 836</u>

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Balance sheet as at 30 June 2022

	Note	2022 TNOK	2021 TNOK
Fixed assets			
Property, plant and equipment	10	14 255	10 652
Asset retirement obligation		45	70
Total fixed assets		<u>14 300</u>	<u>10 722</u>
Intangible assets			
Deferred tax asset	7	<u>22 085</u>	<u>32 927</u>
Total intangible assets		<u>22 085</u>	<u>32 927</u>
Total non-current assets		<u>36 385</u>	<u>43 649</u>
Current assets			
Receivables			
Receivables from companies in the same group	9	4 833 434	5 042 986
Other receivables		2 059	1 763
Tax receivables		159 482	0
Total receivables		<u>4 994 975</u>	<u>5 044 749</u>
Cash and cash equivalents	11	<u>28 501</u>	<u>12 777</u>
Total current assets		<u>5 023 476</u>	<u>5 057 526</u>
Total assets		<u>5 059 861</u>	<u>5 101 175</u>

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	Note	2022 TNOK	2021 TNOK
Equity and liabilities			
Equity			
Share capital	12, 13	134 677	134 677
Share premium	13	2 165 991	2 165 991
Other paid in equity		242 246	242 246
Total paid in equity		2 542 914	2 542 914
Retained equity			
Other equity	13	1 193 332	1 189 643
Total retained equity		1 193 332	1 189 643
Total equity		3 736 246	3 732 557
Liabilities			
Long-term liabilities			
Other long-term liabilities		257	253
Total long-term liabilities		257	253
Current liabilities			
Accounts payable		2 137	1 442
Tax payables	7	0	66 988
Proposed dividend	13	1 100 000	1 100 000
Unpaid public fees		105 755	66 693
Other current liabilities		115 466	100 397
Payables to companies in the same group	9	0	32 845
Total current liabilities		1 323 358	1 368 365
Total liabilities		1 323 615	1 368 618
Total equity and liabilities		5 059 861	5 101 175

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The Board of Directors for Microsoft Development Center Norway AS

Oslo

30 December 2022

Keith Ranger Dolliver
(Chair of the board)

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(Board Member)

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(Board Member - Employee)

Natalia An
(Board Member - Employee)

Bjørn Olstad
(General Manager)



Microsoft Development Center Norway AS

Cash flow statement

	2022 TNOK	2021 TNOK
Cash flow from operating activities		
Result before tax	-133 205	-341 465
Tax paid during period	-87 017	-5 345
Depreciation	5 030	6 315
Share-based remuneration	147 736	116 220
Change in other current assets and liabilities	74 160	16 581
Change in Accounts payable	-32 150	-109 970
Change in other liabilities	4	-22
Change in other receivables	-159 778	-1 458
Change in intercompany receivables	209 552	-2 373 193
Total cash flow from operating activities	24 332	-2 692 337
Cash flow from investing activities		
Proceeds from sale of fixed assets	4 133	351
Payments for the purchase of fixed assets	-12 741	-5 072
Write down of investment in subsidiary	0	2 215 953
Impairment of shares and receivables in subsidiaries	0	483 556
Total cash flow from investing activities	-8 608	2 694 788
Net cash flow for the year	15 724	2 451
Cash and cash equivalents at 01.07	12 777	10 326
Cash and cash equivalents at 30.06	28 501	12 777



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.

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.

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Notes to financial statements (continued)

Note 3 - Sales revenue

	2022 TNOK	2021 TNOK
<i>Distribution business area</i>		
Commissions	664 320	583 433
	<u>664 320</u>	<u>583 433</u>

	2022 TNOK	2021 TNOK
<i>Geographical distribution</i>		
North America	664 320	583 433
	<u>664 320</u>	<u>583 433</u>

Note 4 - Staff cost and remuneration to the auditor

	2022 TNOK	2021 TNOK
<i>Salary costs</i>		
Salary	383 805	352 487
Social security contributions	139 945	94 669
Pension costs	28 583	24 238
Share based payments (Note 8)	147 734	116 220
Other benefits	9 048	10 006
Total	<u>709 115</u>	<u>597 620</u>

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Notes to financial statements (continued)

Note 4 - Staff cost and remuneration to the auditor (continued);

The average number of employees in 2022 was 359 (2021: 305).

	2022 TNOK	2021 TNOK
General Manager Services		
Salary	3 578	3 460
Pension costs	152	150
Other remuneration	23 713	20 018
	<u>27 443</u>	<u>23 628</u>

The General Manager in the year was Bjørn Olstad.

Bjorn Olstad was awarded 3,426 stock awards in Microsoft Corporation in the period 1 July 2021 to 30 June 2022. To date he has been awarded a total of 290,364 shares, of which 280,259 have been exercised, with 7,495 of these vested between 1 July 2021 to 30 June 2022 and 10,105 were unvested.

Remuneration to the auditor is divided into the following:

	2022 TNOK	2021 TNOK
Statutory audit	853	790
Other services	33	33

Note 5 - Other operating expense

	2022 TNOK	2021 TNOK
Rent	25 094	22 963
Cleaning	12 299	12 895
Other cost premises	26 844	17 518
Audit fees	853	790
Fees other assistance from auditors	33	33
Travel and other staff costs	3 478	356
Total	<u>68 601</u>	<u>54 555</u>



Microsoft Development Center Norway AS

Notes to financial statements (continued)

Note 6 - Financial income and expenses

	2022	2021
	TNOK	TNOK
Other financial income		
Other interest income	29	44
Other financial income	22 016	735
Foreign exchange gain	981	46 679
	<u>23 026</u>	<u>47 458</u>
	2022	2021
	TNOK	TNOK
Other financial expenses		
Other financial expenses	4 649	347 022
	<u>4 649</u>	<u>347 022</u>



Microsoft Development Center Norway AS

Notes to financial statements (continued)

Note 7 - Tax

	2022 TNOK	2021 TNOK
Tax expense for the year comprises of:		
Change in deferred tax asset	11 031	-56 353
Tax over / under provided in prior year	-189	85 724
Total tax cost	10 842	29 371

	2022 TNOK	2021 TNOK
Reconciliation from nominal to actual tax rate:		
Loss before tax expense	-133 198	-341 465
Expected income tax at nominal rate (22% 2021, 22% 2020)	-29 304	-75 122
The tax effect of the following items:		
Effect of changes in tax rules and rates	0	-7 294
Other non-deductable expenses	40 344	26 064
Prior period adjustment	-189	85 723
Other non taxable income	-9	0
Income tax expense	10 842	29 371
Effective tax rate	-8,1%	-8,6%

	2022 TNOK	2021 TNOK
Overview of deferred tax asset		
Fixed Assets	-18 308	-23 991
Share-based payments	11 224	7 535
Deficit to carry forward	29 169	49 383
Deferred tax asset	22 085	32 927



Microsoft Development Center Norway AS

Notes to financial statements (continued)

Note 8 - 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 2022 there are 367 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 2022 was TNOK 147 734 (2021: TNOK 116 220). Provisions for payroll tax have also been made.

Overview of Awarded Shares:

	2022	2021
	TNOK	TNOK
Awarded shares unvested at 01.07	206 818	249 352
Shares awarded	65 857	77 580
Shares vested / earned	-102 234	-118 038
Cancelled shares	0	-2 400
Net transfers	3 405	324
Awarded shares unvested at 30.06	<u>173 846</u>	<u>206 818</u>

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

Transactions:	Counterpart	Relationship with company	2022 TNOK	2021 TNOK
Commissions	Microsoft Corporation	Parent	664 320	583 433
Interest income	Microsoft Global Finance	Group company	22 016	735
			<u>686 336</u>	<u>584 168</u>

Balances with related parties:

Current assets				
		Relationship with company	2022 TNOK	2021 TNOK
Microsoft Global Finance		Group company	4 801 575	4 981 597
Microsoft Ireland Research		Group company	31 859	28 233
FAST Search and Transfer Brazil S.A		Subsidiary	0	33 156
			<u>4 833 434</u>	<u>5 042 986</u>

Current liabilities				
		Relationship with company	2022 TNOK	2021 TNOK
Microsoft US		Group company	0	32 845
			<u>0</u>	<u>32 845</u>



Microsoft Development Center Norway AS

Notes to financial statements (continued)

Note 10 - Fixed assets

	Property, plant and Equipment	Asset Retirement Obligation	Total
	TNOK	TNOK	TNOK
Acquisition costs 01.07.21	73 543	92	73 635
Additions	12 741	0	12 741
Disposal of assets	-3 445	0	-3 445
Acquisition costs 30.06.22	82 839	92	82 931
Accumulated depreciation	-68 584	-47	-68 631
Carrying amount 30.06.22	14 255	45	14 300
Depreciation for the year	-5 007	-23	-5 030

	Land and Buildings	Computer Equipment	Property, Plant and Equipment
Useful life	5 Years	4 Years	10 Years
Depreciation method	linear	linear	linear

Note 11 - Bank Deposits

Bank deposits include restricted tax deduction assets at year end of TNOK 28 501. The corresponding figure in 2021 was TNOK 12 777.



Microsoft Development Center Norway AS

Notes to financial statements (continued)

Note 12 - 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 30.06.22:</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.

Note 13 - Equity

	Share capital	Share Premium	Other Paid-in Capital	Other equity	Total
	TNOK	TNOK	TNOK	TNOK	TNOK
Equity at 01.07.21	134 677	2 165 991	242 246	1 189 643	3 732 557
Share-based payments	0	0	0	147 736	147 736
Loss for the year	0	0	0	-144 047	-144 047
Equity 30.06.22	<u>134 677</u>	<u>2 165 991</u>	<u>242 246</u>	<u>1 193 332</u>	<u>3 736 246</u>

The FY21 Proposed dividend of 1 100 000 TNOK was not distributed before 30.06.2022.

There is no proposed dividend for FY22.



Microsoft Development Center Norway AS

Notes to financial statements (continued)

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

Operating leases

The total operating lease commitments are as follows:

	2022 TNOK	2021 TNOK
Within 1 year	-6 916	-4 275
In 2 to 5 years	-23 898	-12 835
Over 5 years	-728	0
Total	<u>-31 542</u>	<u>-17 110</u>

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 2022.

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 2022.

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Microsoft Development Center Norway AS

Notes to financial statements (continued)

Note 19 - Post balance sheet events

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

The ongoing conflict in Ukraine has had no material impact on these financial statements. Management will continue to monitor the situation.

The impacts of the COVID-19 pandemic have been considered, and mitigating actions including employees working remotely from home allow operations to continue to function effectively. Management are satisfied that operations can continue to function effectively.



Skatteetaten

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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Deloitte.

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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 2022, the income 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 2022, and its financial performance 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 laws and regulations 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 legal 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

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Independent Auditor's Report -
Microsoft Datacenter 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, 25 January 2023
Deloitte AS

Eivind Ungersness
State Authorised Public Accountant

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Eivind Ungersness

Statsautorisert revisor

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