

Telenor Annual Report 2023



Telenor at a glance

Telenor Group is a leading technology-driven communication services provider with presence in the Nordics and Asia. We put innovation at the heart of everything we do, whether we are enabling our customers to connect with family and friends or working to provide secure solutions for businesses in the public and private sector. We are passionate about sustainability and believe in social, environmental and economic value creation. We are driven by our ambition to exceed our customers' expectations and create value for all our stakeholders.

Telenor Nordics

10 million mobile subscribers
4 markets

Norway

Founded: 1855

Mobile subscribers: 2.7 million

Market position: 1



Finland

Part of Telenor since: 2019

Mobile subscribers: 2.8 million

Market position: 2

Sweden

Part of Telenor since: 2001

Mobile subscribers: 3.0 million

Market position: 3

Denmark

Part of Telenor since: 2004

Mobile subscribers: 1.7 million

Market position: 2

Telenor Infrastructure

A leading Nordic infrastructure player.

26 000 telecommunication sites in the Nordics and fixed infrastructure that connects 500,000 homes across Norway.

Data centres across the Nordic region.

Telenor Amp

Investments and partnerships adjacent to Telenor's core business. 15 companies within Internet of Things, maritime communication, entertainment distribution and online classifieds and more.

Telenor Asia

199 million mobile subscribers
4 markets

Pakistan*

Part of Telenor since: 2004

Mobile subscribers: 44.4 million

Market position: 3

Bangladesh

Part of Telenor since: 1996

Mobile subscribers: 82.0 million

Market position: 1

true

Thailand

30.2% ownership

Established: 2023

Mobile subscribers: 51.9 million

Market position: 1

celcomdigi

Malaysia

33.1% ownership

Established: 2022

Mobile subscribers: 20.5 million

Market position: 1

80.5

billion NOK revenues

209

million mobile
subscribers (including
True and CelcomDigi)

11,000

employees

* Telenor announced the disposal of its telecom operation in Pakistan to PTCL, the sale is expected to be completed in 2024. Telenor Pakistan is included throughout this report.



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Board of Directors' report





Letter from the Chair and CEO

Our digital lives are becoming richer and more advanced. Irrespective of where we find ourselves in the world, we are likely to encounter fascinating examples of how connectivity drives societies forward and improves people's lives.

Telenor's services and infrastructure are playing an important role as an enabler in this development. This is why our purpose of empowering societies and connecting you to what matters most remains a source of inspiration for everyone working in Telenor. We draw on that inspiration to ensure that the customer remains at the heart of everything we do. And as we move forward, we will continue to embrace new technologies to make operations more digital and more efficient – and thereby simplify and improve the customer journey and experience.

2023 has been a year of delivering on the strategy presented at our Capital Markets Day in 2022. Our focus has been on executing on the strategic and operational agenda, and on achieving financial results in line with our ambitions. We are pleased to deliver an organic service revenue growth of 4 per cent for the group and a total free cash flow of NOK 15 billion, in a challenging macroeconomic environment.

In the Nordics, we were able to drive revenue growth while at the same time building on our execution capabilities to drive further transformation of our operations. We have set an ambitious agenda for our One Nordic approach to improve products and services to the benefit of our customers.

In Asia, we are very pleased to have closed two large-scale mergers, which have given us number one positions in both Malaysia and Thailand. Grameenphone remains the market leader in Bangladesh and has seen good subscriber and revenue growth during the year. In December, we announced the sale of Telenor Pakistan to Pakistan Telecommunications Company Ltd. We expect the sales process to be completed during 2024.

In Telenor Infrastructure, we have seen positive development in both the Towers and Fiber segments. There are also new and exciting opportunities within Data Centres, where we are partnering to build secure, and energy-efficient data centers in the Oslo area in Norway.

We established Telenor Amp to ensure active management of the companies in the Telenor portfolio that are closely related to our core business. We aim to continue to develop new and innovative digital services on top of connectivity, either within our established independent companies, or with external partners. During 2023 we sold Working Group Two and announced the sale of Telenor Satellite, to ensure that these two companies can continue their development with strong partners.

Connectivity will continue to be important to address challenges we are facing as a global community, with climate change as the most urgent threat. It is important to us to increase the robustness of our network to better withstand extreme weather events.

Ensuring that we are able to operate sustainably is key. In 2023, we took several steps towards delivering on our science-based climate targets, including reducing scope 1 and 2 emissions in the Nordics, and tackling lack of renewable energy in Asia by engaging with relevant authorities and stakeholders, and advocating for increased availability of renewable energy. To further our climate agenda, we committed to reaching net zero emissions by 2045 in accordance with the Science Based Targets initiative's standards and published our first ever climate transition plan.



Digital services are developing at an incredible pace – and at Telenor we are committed to doing our part in making the digital world secure, greener and for all. We operate in increasingly digital societies, and we will be stepping up our efforts to provide internet connectivity and digital payment solutions in rural Bangladesh, as well as advanced 5G services to the Nordic business market.

During 2023 we have seen generative AI take huge strides forward – and become available to a global audience. The opportunities are breathtaking. However, as technologies become more sophisticated, we are also reminded that our customers, in both the business and

consumer markets, are likely to face a growing threat from various forms of cybercrime. At Telenor, we want our customers to be safe in the digital world. This is why we are actively developing products and services for their protection. Our ambition, in the Nordics and beyond, is to be recognised as a leader in cybersecurity.

We want to thank Telenor's people who put in an extraordinary effort during 2023, ensuring that our company



Jens Petter Olsen, Chair of the Board and Sigve Brekke, President and CEO

is well-positioned for continued growth and value creation in the Nordic region, and for building long-term value in Asia. Together, we will continue our efforts to explore new ways of working, develop our skillsets, and deploy new technologies to ensure Telenor's continued success. We also want to thank our customers for putting their trust in us. As we move forward, we continue to be guided by our shared Purpose: Empowering societies. Connecting you to what matters most.

Jens Petter Olsen,
Chair of the Board

Sigve Brekke,
President and CEO Telenor Group



About Telenor

Telenor's history

We have gone from providing telegraphs, switchboards and phone booths to developing the innovative technologies that empower today's societies. It's a long way from where we started in 1855. A more detailed overview of Telenor's history is available on [Telenor.com](https://www.telenor.com).

First Norwegian telegraph line opened by the Norwegian Telegraph Administration, connection Christiania (Oslo) and the city of Drammen.

1855

The telegraph cable connection between Norway and Great Britain is opened.

1869

Norway is one of the countries in the world with the highest density of telephones per capita.

1893

The telephone connection is opened between Norway and the US.

1928

The first mobile phone is launched in Norway.

1966

Telenor lists on the Oslo Stock Exchange and state ownership is decreased. Telenor enters Thailand and Denmark.

2000

Telenor acquires 33 per cent of Digi, Malaysia in 1999 and a majority in 2001.

1999

Telenor enters Asia (initially Bangladesh) and in 1997 Grameenphone opens its mobile network in Dhaka.

1996

Televerket becomes a public corporation and change its name to Telenor the following year.

1994

The GSM-system is launched – setting a new international standard (2G).

1993

Telenor enters Sweden and Telenor Group reaches 100 million subscriptions.

2006

Telenor acquires the Finnish telecom operator DNA.

2019

Telenor reshapes its organization to take a position as a leading telecom operator and infrastructure player in the Nordics. In Asia, Telenor will work with partners to build scale and take number one positions in several markets.

2022



Purpose and identity

Empowering Societies. Connecting you to what matters most.



Include

Enabling participation for all

Include means that Telenor is committed to equality, by enabling connectivity for all and driving greater societal inclusion through it.



Advance

Advancing connectivity to accelerate the digital future

Advance means that Telenor is at the forefront of technological development, constantly innovating and exploring for the benefit of customers, businesses and society.



Safeguard

Safeguarding planet, people and data in the digital world and beyond

Safeguard means that Telenor constantly raises the bar for the safety, security and privacy of our customers, partners and employees, as well as the health of our planet to drive positive, long-term change.



Ambitions

"The Telenor you see today is not the Telenor you will see in the future. We are taking a big step forward to ensure more value for our customers in an increasingly digital world in need of secure, stable, and sustainable solutions. We are building a smarter and more flexible Telenor – a company that creates value for customers, society, and shareholders," says Sigve Brekke, CEO of Telenor Group.

At the Capital Markets Day in September 2022, we announced the 'Reshaped Telenor' strategy and outlined new ambitions for sustainability and financial agendas and reorganised the group into four business areas.

"We are building an organisation that is competitive, with focused investments, profitable growth, and new partnerships. This strategy will create optionality and increased opportunities for value creation" says Tone Hegland Bachke, CFO of Telenor Group.

Our four business areas all have their individual value creation approach: profitable growth for Telenor Nordics, long term value creation and cash flow focus for Telenor Asia, industrialisation for Telenor Infrastructure and asset-by-asset approach for Telenor Amp.

Our financial ambitions reflect this strategy. We aim to drive shareholder remuneration and return on capital through growing the core business in a capital-efficient, sustainable, and responsible way, while maintaining a solid balance sheet.



The mid-term financial ambitions for 2023-2025:

Group:

- Year-on-year growth in dividend per share
- Free cash flow before M&A to cover dividend in 2025
- Net debt/EBITDA of 1.8x-2.3x

Nordics:

- Low-to-mid single digit growth in service revenues
- Mid-single-digit growth EBITDA
- NOK 2 billion reduction in capex before leases in 2025 versus 2022

Environmental, Social and Governance (ESG) ambitions until 2025:

Delivering on our science-based climate targets and be an environmental enabler for our partners and customers.

Upholding high standards in governance across and be the preferred partner for digitalisation and corporate cybersecurity.

Driving social and digital inclusion by promoting skills for the future and workplace diversity.



Highlights of the year

Key events

In January, Telenor sold 30 per cent of Telenor Fiber AS in Norway sold to KKR generating proceeds of NOK 10.8 billion.

In March, the largest telco merger ever in Southeast Asia (by combined enterprise value) between dtac and True in Thailand was completed.

In July, Telenor signed a 10-year power purchase agreement for DNA, to be sourced from a new windfarm in Finland.

In August, Telenor's 48 per cent share in Working Group Two was sold to Cisco, generating proceeds of NOK 0.7 billion.

In September, Telenor secured Swedish 5G frequencies valid until 2048/2050 through Telenor's and Tele2's network joint venture.

In October, Grameenphone in Bangladesh launched a digital safety training program with UNICEF for children and teachers.

In November, the favourable outcome in the tax dispute regarding deductibility of India losses became final and Norwegian state repaid NOK 2.4 billion.

In November, Telenor agreed to sell Telenor Satellite to Space Norway for NOK 2.4 billion, transaction was closed in January 2024.

In December, Telenor committed to become a net-zero company by 2045.

In December, Telenor announced the sale of its telecom operation in Pakistan to PTCL, closing of transaction expected in 2024.

By year end, Telenor had returned to 82 million mobile subscribers in Bangladesh after the SIM sales ban was lifted.

Throughout the year, significant investments in mobile network modernisation including 5G rollout in all Nordic markets.

In 2023, Telenor delivered 5 per cent organic growth in mobile service revenue in the Nordics.





Service revenues

Service revenues includes mobile, broadband and TV subscriptions in addition to other service revenues which represent the core business of Telenor.

Organic growth of services revenues in 2023 was

4.0%

compared to 2.8% in 2022.

Free cash flow

The free cashflow reflecting the cash generated by Telenor's operations was NOK

15.0

billion in 2023,
compared to NOK 10.6 billion in 2022.

Scope 3 GHG emissions

51%

of Telenor's suppliers have committed to science-based targets for the reduction of their GHG emissions, compared to 36% in the prior year. Telenor is on track to reach the 66% target by 2025.

Digital inclusion

Target is to train 6 million people in digital skills by 2025.

Telenor trained

1.1

million people in 2023, which brings the total number of people trained since 2021 up to 4.1 million.

EBITDA

EBITDA (earnings before interest, tax, depreciation and amortisation) was NOK 34.6 billion in 2023 compared to NOK 33.8 billion the year before.

The EBITDA growth was

2.2%

compared to -0.9% in 2022.

Dividends

Dividends proposed for 2023 was NOK

9.50

per share, compared to 9.40 in 2022.

Net-zero

In 2023, Telenor set a target to reach net-zero in scope 1, 2 and 3 by

2045

Diversity

Target is to have 40% senior women leaders by 2025.

By end of 2023, Telenor had

34%

senior women leaders, compared to 33% the year before.



How Telenor creates value

Our value chain

Telenor owns and operates assets across the telecom value chain. We believe in further developing our assets and capabilities according to our value creation approach to further add value.



Build and maintain
telecom infrastructure



Technology and operations
to run network and services



Selling and serving
customers

Asset heavy

Asset light

Our approach

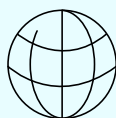
Telenor adds value through our employees and leadership who possess comprehensive expertise in the telecom sector. Our culture is built on our strong commitment to responsible business.



Industrial
vision



Value
creation
focus



Technology
leadership and
ecosystem



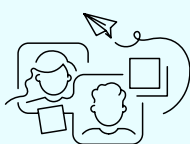
High standards
with strong track
record



Telenor
execution
culture

The value we create

Telenor creates value for our stakeholders through the services we provide. We connect people and societies while also driving shareholder remuneration and return on capital.



Connected
customers



Shareholder
return



Platform for
digitalisation



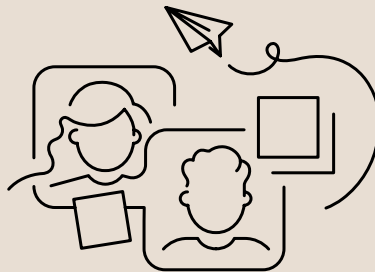
Greener, safer and
more inclusive
societies



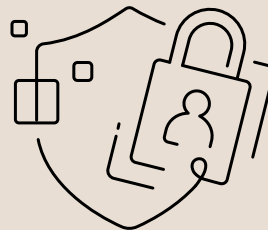
Our customers look for digital solutions

Digitalisation is one of the most influential global megatrends. It is driven by customers. Through the application of new technologies, people and enterprises have radically changed their behaviours and the way they interact, and they will continue to do so going forward. Digitalisation will be a main driver for continued value creation for Telenor as we work with our customers as a trusted partner.

Telenor is committed to advancing the digital world by making it greener, safer and accessible for all



Digitalisation will make Telenor and our customers' operations more resource efficient



Increased demand for digital solutions requires secure and robust infrastructure



The value of digitalisation increases when more people are connected

02

Strategy, performance and risks

Telenor's strategy

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Group performance

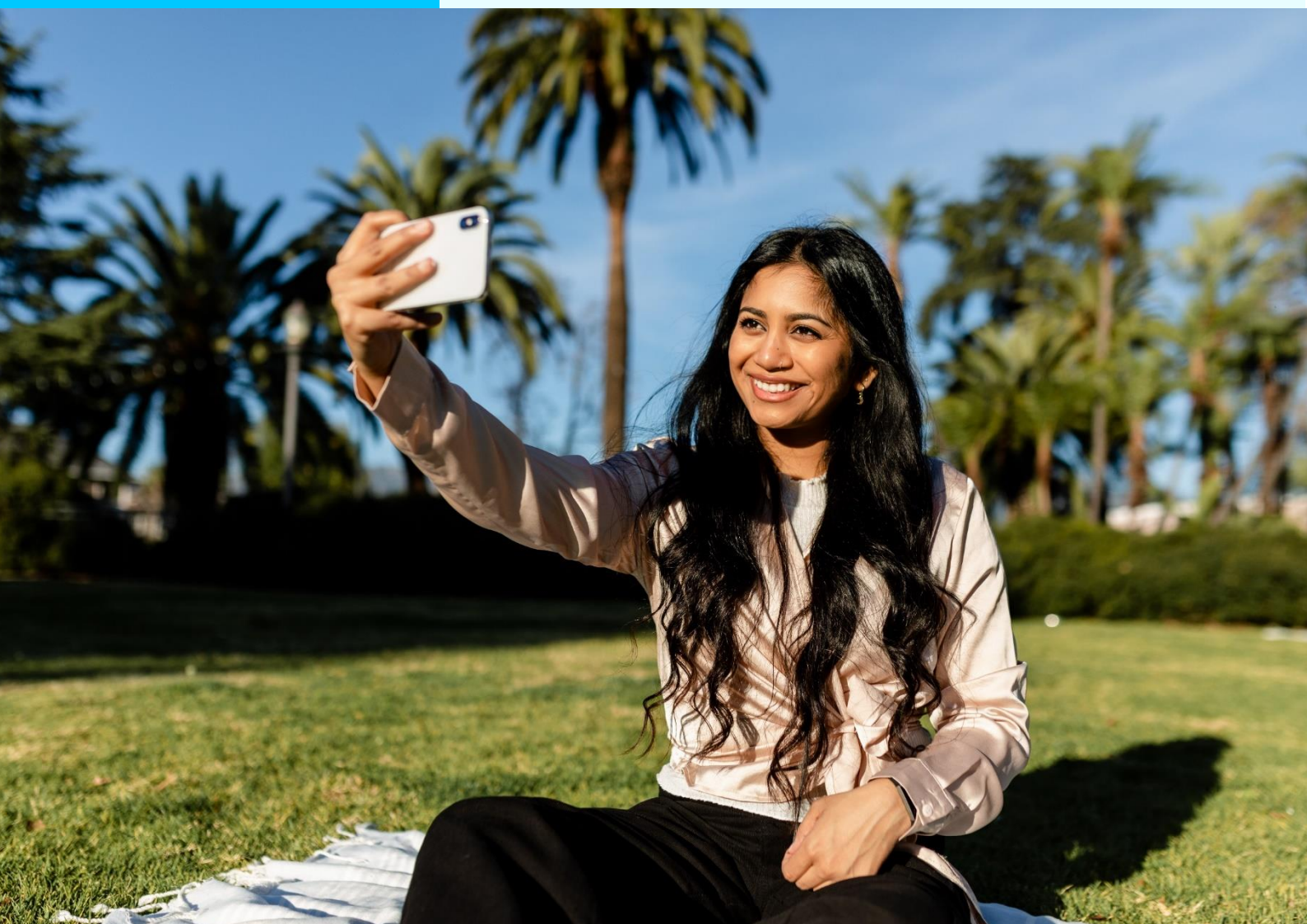
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Telenor's strategy

Connecting customers to what matters most has been the core of our business for 168 years. Our ambition is to deliver critical connectivity and services to customers and societies, continue to strengthen our responsible business agenda and utilise the strength in our people and culture. Each of our four business areas has its unique approach to value creation: profitable growth for Telenor Nordics, long term value creation and cash flow focus for Telenor Asia, industrialisation for Telenor Infrastructure and asset-by-asset approach for Telenor Amp.

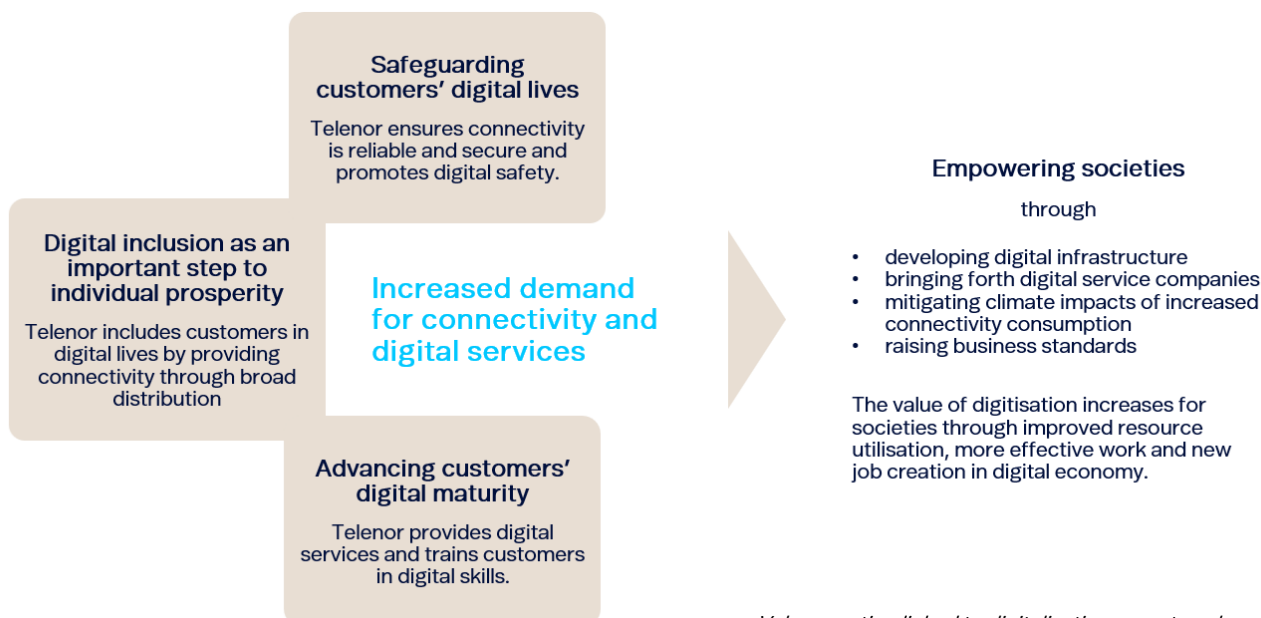
Empowering societies. Connecting you to what matters most.

How the digitalisation megatrend is a value driver

Digitalisation is one of the most influential global megatrends. It is driven by the customers' increased demand for connectivity and digital services. Telenor supports and contributes to this trend and is also driven and enabled by it. Digitalisation will be a main driver for continued value creation for Telenor as the company helps customers as a trusted partner.

Digital inclusion and connectivity go hand in hand

The networks, services and communications infrastructure that Telenor builds and operates enable millions of people to explore new digital opportunities. By providing connectivity, Telenor drives inclusion and firmly believes this is an important step towards individual and societal prosperity. As of year-end 2023, 58 per cent of Telenor's customers are active data users, and the company is on track to reach its goal of ensuring 68 per cent active data users by 2025.



Value creation linked to digitalisation megatrend



Safeguarding digital lives and the planet

Telenor is dedicated to assisting its customers in maximising the full benefit of their digital lives. In 2023, Telenor trained more than 1.1 million people in digital skills across the Nordics and Asia and is ahead of its plan to reach six million by 2025. Increased digitalisation also stimulates demand growth for connectivity, which is the key driver behind Telenor's service revenue growth in 2023. As people's lives grow more dependent on being connected, Telenor's responsibility to provide secure and reliable services increases.

In this light, to ensure that customers have access to high-quality services, Telenor is continuously reviewing the need to extend network capacity. Mindful that increased capacity also means increased demand for energy, Telenor strives to secure the highest possible energy efficiency across all operations. This includes phasing in renewable electricity sources across operations, when such are available, and adding sustainable energy sources to the grid through Power Purchase Agreements (PPAs). Telenor is also using its purchasing power to require its vendors to set science-based climate targets, while also training them in how to set and follow up on targets. In November 2023, Telenor reached the milestone of having more than 50 per cent of its spend coming from vendors with their own science-based climate targets, which is ahead of the trajectory of the target.

While focusing on reducing its own emissions, Telenor also sees huge potential in deploying digital technologies and services to reduce the emissions of consumers and businesses across the world. Digital solutions could reduce global emissions by 20 per cent, according to the World Economic Forum, and Telenor's infrastructure and services have an important role to play in making these solutions available and put into use. The green transition can be greatly accelerated through innovative use digital solutions.

Customer case: Scaling Safe zone in the Nordics

Trend: Our customers seek solutions that protect their businesses from cyber threats and data breaches

The threat picture online is in constant change. The only thing needed to have a security breach is one click on an infected link. When the accident happens, it can take up to 6-9 months before the company notices that malicious actors are in the company's systems. SafeZone was developed to mitigate this risk, in an easy, customer friendly way. The customer does not need to install anything, it is automatically activated, and blocks malicious websites on all employees' phones where the product is active.

The SafeZone Concept was developed in Norway in 2022, and has been scaled to all Nordic operations in less than a year. Telenor now has more than 100,000 people protected by SafeZone, and the product is growing in a fast pace.

Customer case: DNA Finland programme to trade in old phones

Trend: Consumers are seeking the benefits of the circular economy when selecting smartphones

In Telenor's Finnish telecom operations, DNA, it has been observed that consumers are increasingly aware of the residual value when buying a new smartphone. DNA's trade in program allows customers to trade in old phones when buying a new phone, contributing to the circular economy by supporting the growing preowned smartphone market. By choosing a phone of higher quality, the customer can trade it in after two or three years and still get a substantial refund.

DNA has also introduced extra trade-in campaigns with device vendors, in which even higher refunds can be achieved by purchasing a selected flagship smartphone. In 2023, DNA observed that the program has contributed to a 9 per cent increase of the average selling price of new devices, as well as a 33 per cent increase in the share of traded in iPhones, as compared to 2022.

Advancing through technological transformation and digitalisation

To profitably meet customer demand while ensuring the affordability of connectivity, Telenor needs to continue to lead the technical transformation. The company leverages its technological capabilities and extended partnerships to remain customer-centric, reliable and efficient.

Telenor is deploying leading technologies to deliver and improve its services. One example is the use of cloud, where Telenor is among the leading telcos shifting network functions into a private cloud fully complying with national regulatory requirements. The company is also rolling out 5G, seeing that more than 50 per cent of the smartphones already supports 5G in most of Telenor's leading markets. Decommission of legacy technologies is integrated into the company's modernisation such as the sunset of copper network and 3G in Norway and Denmark. Telenor received Ookla's awards for best mobile network in Norway both for the first and second half of 2023. In Finland, DNA won 2023 Quality Award and got the top position in the industry sector sustainability ranking. In Bangladesh, Grameenphone received several awards from the Brand Forum including innovative cases for use of the MyGP app. Telenor is also engaged in several customer cases co-creating services beyond connectivity such as with the Norwegian Armed Forces. Telenor's initial cases using Artificial Intelligence (AI) were developed almost a decade ago. The company is increasingly embedding AI into its automated processes both as part of service delivery to customers and as part of its operations.

As technologies mature, the opportunities from digitalisation become more striking. For Telenor the shift to 5G, public cloud and AI enable operations to be more resource efficient and reliable. Across the Group, Telenor has implemented more than 250 AI use-cases and going forward, more will follow. Telenor will adhere to responsible AI principles, for which the company is a strong advocate and joining in as advisors to EU and Norwegian authorities. There is increasing demand from corporate and public



sector customers to leverage these technologies for even greater efficiency and to unlock new business opportunities.

Increasingly, customers are seeing digitalisation as a means to reduce their carbon emissions. Examples of this are businesses automating manual inspection processes or improving resource utilisation through analytics. These solutions require a secure and robust digital infrastructure of connectivity, Internet of Things (IoT) sensors and cloud-based processing and storage. These are further drivers of value for Telenor as enabled by the global technology trends. Moving forward, Telenor will be building on the competence and capabilities the company has developed through its own digitalisation, and work with partners to deliver connectivity services and services beyond connectivity.

Customer case: Telenor Pakistan digitalisation

Trend: Customers in Asia are increasingly relying on digital channels

As per 31 December 2023, 40 per cent of prepaid recharge/top-ups in Telenor Pakistan are digitalised – primarily through the use of the apps Easypaisa and MyTelenor. The lift in the company's digital distribution has given the company a way of providing personalised offers to the customer in the pre-paid segment, that are customised to the user's specific spending and usage profile. The personalised offering strategy has had great uptake among the end customers and over a period of four months, approximately 25 per cent upsell was witnessed on the flagship offers.

Customer case: Grameenphone brings "paperless invoicing" to B2B customers

Trend: B2B customers are looking to adopt more sustainable methods of doing business

Grameenphone, Telenor's telecom operator in Bangladesh, noted that a growing number of B2B customers are looking for ways to reduce their impact on the environment. Working together with Aarong (a leading lifestyle retailer in Bangladesh), Grameenphone's B2B team devised a solution that would remove paper-based invoices and allow customers of Aarong to receive their invoices through SMS, launched in August 2022.

The use case has been replicated to another B2B customer, Bata (worldwide footwear and apparel manufacturer), which adopted the paperless invoicing solution in 2023, with a projected 70 per cent reduction in invoice costs yearly. Before the solution was implemented, Bata issued close to 8 million paper invoices a year.

Research and development activities

During 2023, Telenor's research unit continued its work within new generation networks and internet technologies, Artificial Intelligence (AI) and advanced analytics, as well as new business and operating models. Telenor's R&D activities balance long-term research, ensuring Telenor's future competitiveness, and near-term innovation and development where the aim is to apply research insights and generate business value for Telenor.

Telenor has continued to develop relationships with leading research institutions and industry players in Norway and internationally. In November, Telenor and Ericsson signed a three-year partnership agreement to pioneer the usage of AI and Machine Learning research, and solutions for improved energy efficiency in mobile networks. A major part of Telenor's partnership portfolio consists of long-term initiatives within the EU research and innovation program Horizon Europe, and the Research Council of Norway. Telenor is active in several Centres of Excellence on 5G, 6G and AI research and innovation in Norway and Europe.

Through the EU programmes, Telenor scientists have worked on developing an experimental innovation platform and testing the potential of new 5G capabilities within sectors such as media, health and defence. Telenor's research unit has also started exploring 6th generation network technologies, and continued building research infrastructure for AI by addressing complex business problems with data and AI models. Telenor is actively participating in the public dialog on responsible AI.

Customer case: Anticimex: Pest Control Using IoT with Connected Traps

Trend: Business customers seek to connect their products with global IoT to enhance product efficiency and quality, increase customer value and boost sustainability

Pest control has traditionally relied on bait boxes filled with toxins to exterminate pests. Global pest control leader Anticimex set out to work with Telenor Connexion to change the approach of relying on the placement of multiple bait boxes that require continuous manual checking.

With an intelligent system of connected traps and monitoring devices Anticimex have changed the way they work, resulting in both greater business value created and end user benefits of 24/7 surveillance. As all traps & monitors are 100 per cent non-toxic eliminating the need for biocides, it is also a better solution for the environment.








Differentiated paths to value creation

Customer focus drives strategic direction

Telenor is transforming to a technology- driven and sustainable telco focused on value drivers and acting on customers' growing needs for connectivity and new services. While the underlying customer needs, technologies and business opportunities are similar across Telenor's geographical footprint, customer maturity and business environments differ, implying differentiated paths to value creation. This is why Telenor reshaped its strategic direction in 2022 and transformed the organisation into four business areas with different strategies to create value. What unites

the company is its people, who share a common purpose and set of behaviours, coupled with a strategic vision based on a clear view of the industry future. This is further reinforced by strong performance management, deep technology expertise and a Telenor culture and responsible business standards based on the Telenor Code of Conduct and Group wide policies. Telenor has one overall direction and common standards across the operations, but the new organisation gives increased transparency on how value is created and better optionality to navigate in a changing business environment. The business areas are introduced below. For more information about each business area, see [Business area performance](#) section.

Telenor's approach and value add	 Industrial vision and ownership	 Value creation focus	 Technology leadership and ecosystem	 High standards with strong track record	 Telenor execution culture
Asset	Telenor Nordics	Telenor Asia	Telenor Infrastructure	Telenor Amp	
Ownership strategy	Fully owned	Partnerships/ Minority	Majority ownership	Partnerships	
Value creation strategy	Profitable growth	Cash flow focus	Industrialisation	Asset by asset	
Long-term ambition	Leading Nordic telco with profitable growth from efficient connectivity and services	Value-adding owner of market-leading digital telecom positions	Develop a leading Nordic infrastructure company and crystallise its value	Develop leading Nordic service positions in IoT and security	
How	Transformation	Structural agenda	Leverage partners	Partnerships	

Telenor Nordics

In the Nordics, the long-term ambition is to build on the position as the largest communications service provider in the region, and to stand out as a leading telco with profitable growth, with falling capital intensity and attractive returns on capital. Telenor's customers in the Nordics are digitally advanced and are demanding sophisticated services and solutions. The countries are geopolitically stable, their regulatory agencies operate with a high degree of predictability, and the overall purchasing power of consumers remains high. However, the populations of the Nordic countries are small, and competition is brisk. Therefore, Telenor ambitions to leverage cloud-based software and AI to transform the operations in Norway, Sweden, Finland and Denmark into a leading Nordic telco with profitable growth from efficient connectivity services, as well as services beyond connectivity. This will give Telenor greater execution power in the region, while maintaining close relations with customers. In 2023 the company started this transformation, which will be accelerated going forward.

Customer case: Finnair B2B

Trend: In the large B2B segment, customers aim for lasting partnerships

In 2023, Finnair and DNA signed an agreement on global communication and next-generation network solutions. The agreement covers Finnair's international software drive (SDx) network solution and a comprehensive mobile solution. Key factors in the agreement were the expertise and proven track record of DNA and the Telenor group as a leading provider of software-driven networks, and the ability to provide mobile services that meet the requirements of Finnair as a globally operating organization. Finnair underlined in its press release, announcing the partnership that it was important for the company to get a partner who can take overall responsibility and who will develop the services together with Finnair, also in the future.



Telenor Asia

For the Asia business area, Telenor has a cash flow focus for what constitutes a strong Asian telco portfolio based on a strong governance setup. The company is a value-adding owner of market-leading digital telecom positions, driven by in-market consolidation and synergy realisation, continued operational performance and pursuing optionality to balance value creation and risk. Following the proposed divestment of Telenor Pakistan, Telenor will have three number-one digital telecom champions with partial ownership. These businesses will be in great position to meet the increasing customer demands efficiently and profitably. Telenor's continued focus on empowering the respective societies through digitalisation and driving high standards of responsible business in all operating companies supports this ambition. The successful closing of Southeast Asia's largest telecom mergers in Malaysia and Thailand showcases Telenor's ability to stay focused and execute on its strategy, and the company remains confident in CelcomDigi's and True Corporation's abilities to deliver on their plans. In addition to working on profitable growth and transformation for Grameenphone and closing the sale of Telenor Pakistan, Telenor continues to explore strategic optionality on a regional level.

Telenor Infrastructure

Telenor Infrastructure's customers and business model differ from the telco businesses in Nordics and Asia. The priority is to highlight the underlying value and develop the business area as an industrial and sustainable infrastructure company that increases asset utilisation by serving external customers, driving operational excellence and maximising capital efficiencies. The business area includes responsibility for Towers, Fibre and Data Centres in the Nordics. Telenor has established 100 per cent owned Tower companies in Norway, Sweden and Finland and owns 50 per cent of the Tower Joint Ventures in Sweden (Net4Mobility, 3GIS) and Denmark (TTT). Further, Telenor owns 70 per cent of the passive fibre infrastructure in Norway together with KKR and Oslo Pensjonsforsikring. For data centres, Telenor fully owns numerous facilities across the Nordics and has also established a Joint Venture (Skygard) with Hafslund, HitecVision, Analysys Mason in Norway where Telenor retains a 31.7 per cent ownership.

Telenor Amp

Telenor Amp is set up with a portfolio of companies, both fully owned consolidated companies such as Telenor Connexion, Telenor Maritime and Telenor Linx, and minority or jointly owned investments like Allente, Carousell and several others, that will be managed on an asset-by-asset basis. The companies will either be developed to their full potential in Telenor, with partners, or divested. Over time the portfolio will focus on developing leading service positions in IoT, security and other adjacent high-growth areas where Telenor believes it can add value as an owner. Telenor Amp has an active M&A agenda and will seek opportunities to create value over time together with partners.

Responsible business

Permeating the business area strategies is a focus on responsible business, upholding high standards for governance and compliance across all markets while identifying and addressing risks and opportunities linked to material sustainability topics. Telenor remains committed to delivering on the strategic sustainability ambitions including reaching net-zero emissions by 2045, taking back 30 per cent of mobile devices in the Nordics by 2030, educating six million people in digital skills by 2025, reaching 40 per cent women in senior leadership roles by 2025 and achieving an annual 90 per cent closure rate of minor and major non-conformities in the supply chain by 2025.



Group performance

We remain confident in our priorities, as we execute on our strategy, delivering profitable growth in the Nordics, capturing value from the mergers in Asia, crystallising values in Infrastructure and developing the assets in the Amp portfolio.

Executing on strategy

Telenor's financial performance in 2023 was the result of focused strategy execution across all four business areas, leading to a strong total free cash flow of NOK 15.0 billion. We also made solid progress on the structural agenda, strengthening positions and de-risking its business. This included the completion of the merger between dtac and True in Thailand, the largest telecom merger ever in Southeast Asia. In addition, Telenor divested a 30% stake in the passive fibre network in Norway, achieved strong returns from selling Working Group Two, and announced the sale of Telenor Satellite and Telenor Pakistan.

Financial performance

The various performance measures used below are described in chapter [Definitions and Alternative Performance Measures](#).

Revenues

Total revenues for 2023 were NOK 80 billion, which is an increase of NOK 3.6 billion, or 5%, from 2022. Service revenues increased by 5% on reported and 4% on organic basis. The growth in service revenues were largely driven by the 5% growth in mobile service revenues in the Nordics, fuelled by increasing demand for value-added services, pricing initiatives and subscriber growth in Sweden, Denmark and Finland.

Operating expenses

The operating expenses (opex) increased by NOK 1.6 billion. Organic opex increased by NOK 1.3 billion, or 5%. The main drivers for the opex increase were higher energy costs in Asia, and increased marketing and personnel costs in the Nordics. In most of the operations, opex increase was below inflation rates, reflecting the focus on cost control and modernisation.

EBITDA before other items

EBITDA before other items (EBITDA (boi)) increased by NOK 0.7 billion on reported basis to NOK 34.6 billion. On an organic basis, EBITDA (boi) increased by 3%, or NOK 1.0 billion. The growth was driven by higher mobile service revenues, partly offset by increased cost of goods and services and operational expenses. Energy cost had limited impact on the Group's EBITDA, as increases in Asia were offset by reductions in the Nordics. Total EBITDA decreased by NOK 1.2 billion, mainly due to a gain of NOK 1.7 billion on disposal of fixed non-core assets in Sweden recognised in 2022.



Key financial results

NOK in million	2023	2022
Service revenues	62 540	59 760
Organic service revenue growth	4%	3%
Total Revenues	80 452	76 877
Organic revenue growth	3%	4%
Operating expenses	(26 832)	(25 229)
EBITDA before other income and other expenses	34 564	33 830
Organic EBITDA growth	3%	1%
Operating profit	16 964	15 143
Taxes	(4 332)	3 009
Net income from associated companies and joint ventures	(8 466)	(301)
Net income attributable to equity holders of Telenor ASA	13 734	44 913
Capex excl. lease	12 731	13 560
Free cash flow before M&A	9 490	9 865
Total Free cash flow	15 003	10 604
Leverage	2.2	2.2
Return On Capital Employed	11%	17%

Net income

Net income to equity holders of Telenor ASA was NOK 13.7 billion in 2023, which is a decrease of NOK 31.2 billion from 2022. The total net income decreased by NOK 32.2 billion and was driven primarily by NOK 32.7 billion gain recognised in 2022 following the merger completion in Malaysia, positive one-time effects in income tax expense last year of NOK 5.7 billion and net income from discontinued operations last year of NOK 4.0 billion. The gain recognised as part of the merger completion in Thailand of NOK 18.5 billion in the first quarter this year was partly offset by the impairment of investment in True of NOK 7.2 billion in the fourth quarter. In addition, losses in net financial items increased by NOK 1.9 billion, driven by increased financial expenses and write-down of financial assets connected to the funding of share purchases in True Corporation.

Capital expenses

The capital expenses (capex) for the year excluding leases were NOK 12.7 billion, which was driven by the mobile network modernisation in the Nordics and fibre investments in Norway. The capex to sales ratio was 16%, down from 18% last year.

Financial position

Total assets were NOK 218.4 billion as of 31 December 2023 compared to NOK 239.2 billion the year before. The main changes were caused by the deconsolidation of dtac and recognition as an associate, and payment of dividend of NOK 13 billion in the second and fourth quarter. This was partly offset by the receipt of NOK 10.8 billion for the sale of 30% stake in the fibre infrastructure in the first quarter and positive currency translation effects of approximately NOK 5.1 billion. Net debt was NOK 79.8 billion as of 31 December 2023, which is a decrease of NOK 18.1 billion from the prior year. The decrease was driven primarily by positive free cash flow of NOK 15 billion and deconsolidation of dtac of

NOK 22 billion, partly offset by dividends to equity holders of Telenor ASA of NOK 13 billion and negative currency translation effects of approximately NOK 5.2 billion. As a result, interest-bearing liabilities excluding licence obligations decreased by NOK 8.5 billion, and cash and cash equivalents increased by NOK 9.6 billion. The leverage ratio on 31 December 2023 was 2.2x, which is the same level as on 31 December 2022. Total equity increased by NOK 6.1 billion to NOK 70.4 billion at year-end 2023.

Free cash flow

The free cash flow for the year was NOK 15.0 billion. Free cash flow before M&A activities was NOK 9.5 billion and was a result of positive contributions from all business areas despite inflationary pressures. Key drivers were cash flow from operations, dividend from CelcomDigi, and refund from Norwegian tax authorities, these partly offset by payments in Bangladesh relating to legal disputes regarding license and tax issues.

Free cash from M&A activities was 5.5 billion in 2023, coming from proceeds from sale of stake in fibre infrastructure company in Norway, sale of Working Group Two, partly offset by effects related to the merger in Thailand and India guarantee payments.

Sustainability performance

Key sustainability results

	2023	2022
Climate change mitigation:		
Scope 1 and 2: Reduction of absolute GHG emissions from global operations*	6%	14%
Scope 3: Share of supplier spend covered by science-based targets	51%	36%
Digital skills, inclusion and online safety		
Number of people trained in digital skills (base year 2021)	4.1m	3.0m
Mobile internet users (% active data users)	58%	58%
Diversity, equity and inclusion		
Women in senior leadership positions	34%	33%
Health and safety		
Lost time Injury Frequency (LTIF)	0.47	0.13
Responsible supply chain		
Closure rate of non-conformities in the supply chain	61%	55%

*Baseline year is 2019. 2022 environmental numbers are restated excl. dtac.

During 2023, Telenor has seen the positive effects of consistent engagement with suppliers to adopt to science-based emission reduction targets, combined with implementation of stricter requirements for contract renewal with the largest suppliers. At the end of the year, Telenor's share of spend to suppliers that have set science-based emission reduction targets passed 50%, which is well above the linear trajectory towards our 2025 target of 68%. While the increased energy consumption from mobile networks in the Nordics was offset by reduction in the fixed network following the copper decommissioning as well as purchase of renewable energy in the form of Guarantees of



Origin, lack of renewable electricity in Asia remains the key challenge in terms of scope 1 and 2 emissions reductions. As a natural next step on the climate agenda, Telenor has submitted a 2045 net-zero target that covers the company's operations in the Nordics and in Asia.

Digital skills and online safety remain key pillars in our commitment to responsible business conduct. During 2023, Telenor trained 1.1 million people in digital skills and online safety together with the global partners UNICEF, Plan International, and Cisco. In 2023 the company had running projects in both Asia and Nordics focused on building future skills as well as strengthening child and youth online protection.

Outlook

Telenor maintains the mid-term ambitions outlined at the Capital Markets Day in 2022. For Telenor Nordics, the company aims to generate profitable growth, with a mid-term (2023-2025) ambition to deliver low to mid-single-digit organic service revenues growth and mid-single-digit organic growth in EBITDA. In February 2023, the company stated an ambition of NOK 2 billion reduction in Nordic capex (excluding leases) from 2022 to 2025.

For 2024, Telenor expects to see low single-digit organic growth in service revenues and mid-single digit organic growth in EBITDA in the Nordics. The capex to sales ratio in the Nordics is expected to be around 17%. The effective tax rate for 2024 is estimated to be around 30%.

Telenor maintains the dividend policy to aim for a year-on-year growth on ordinary dividends per share and that the dividend is expected to be covered by free cash flow in 2025. The leverage ratio is targeted to be in the range of 1.8x – 2.3x.

For the Group, Telenor expect mid-single digit organic EBITDA growth and expect to deliver a free cash flow before M&A of NOK 9-10 billion in 2024, based on year-end 2023

currencies. Note that the free cash flow range assumes the inclusion of Telenor Pakistan and does not factor in potential items related to prior years' activities.

Parent company performance and financial position

Telenor ASA is the parent company which encompasses group management, group functions and a research and development department. Revenues mainly derive from offering a range of services to the group companies, including consultancy, research and development services. Expenses in the parent company mainly relate to consultancy fees in strategic group projects, property lease, IT-operations and maintenance purchased from other group companies. Telenor ASA has a Treasury function that manages the main part of the external debt financing of Telenor and provide loans and guarantees to group companies. Treasury also manage the cash pool in the group.

For 2023, Telenor ASA recorded revenues of NOK 477 million, compared to NOK 871 million in 2022, while the total operating expenses decreased by NOK 285 million to NOK 1,317 million. Telenor ASA's net income for 2023 was NOK 13,621 million, after receipt of a group contribution and dividends of NOK 18,856 million. During the year the external interest-bearing liabilities increased from NOK 70,225 million to NOK 84,110 million, of which NOK 4.3 billion is related to currency losses.

The Board proposes to allocate the net profit in 2023 of NOK 13,621 million to retained earnings. After this allocation, and after the deduction of share capital, Telenor ASA has equity of NOK 103,796 million. In the view of the Board, Telenor ASA has a solid financial position. In accordance with Section 3-3a of the Norwegian Accounting Act, the Board confirms that the prerequisites for the going concern assumption exist and that the financial statements have been prepared based on a going concern basis.



Business area performance

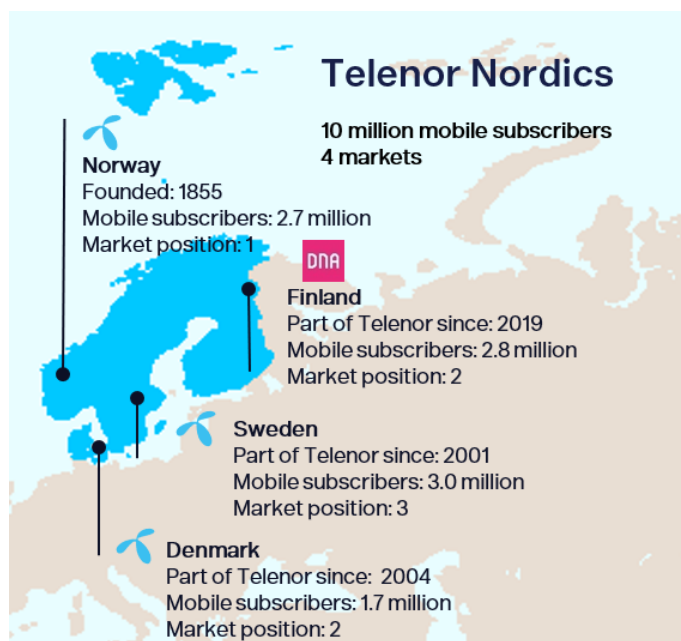
Telenor has four business areas. The mobile and fixed line businesses are reported in the Nordic and Asia segments. The Infrastructure segment consists of certain passive infrastructure in the Nordic countries, and the portfolio of adjacent businesses and companies are reported in the Amp segment.



Telenor Nordics

Business area information and facts

Telenor Nordics is a leading provider of telecommunication and digital services through its fully owned business units Telenor Norway, Telenor Sweden, Telenor Denmark, and DNA in Finland. It has more than 10 million mobile and 2 million fixed subscribers in total and in all markets serves consumers as well as business and wholesale customers. Telenor's telecommunications portfolio in the Nordics consists of the following companies:

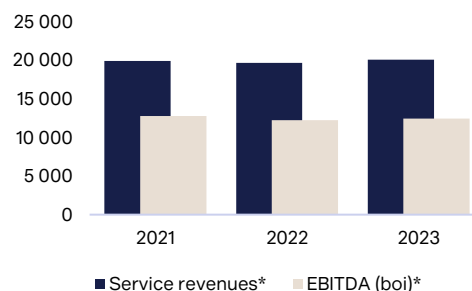




Telenor Norway

Telenor Norway is the incumbent operator and market leader and has a broad portfolio of products and services in mobile, broadband and TV.

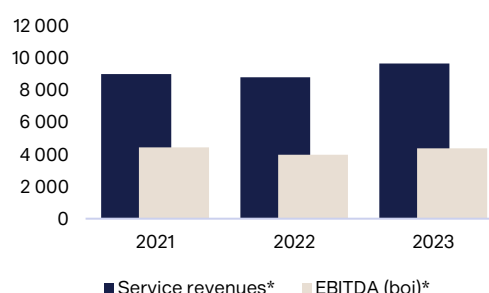
The company serves 2.7 million mobile, 0.7 million broadband and 0.5 million TV subscribers, primarily under the Telenor main brand and Talkmore sub-brand. The focus is on increasing customer value through improved services and functionality in core connection subscriptions combined with services close-to-core. For consumers, value added services are primarily within security, insurance and entertainment while for business customers the focus is networking solutions and security services for the business market.



Telenor Sweden

Telenor has been present in Sweden since 2001 and Telenor Sweden is the third-largest operator in terms of the number of connections in both the mobile and fixed broadband markets.

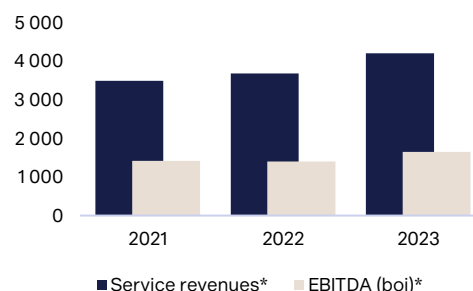
The company serves 3.0 million mobile, 0.7 million broadband and 0.5 million TV subscribers and is also present via its sub-brand Vimla. Telenor Sweden's 3G network is shared with 3. Its 2G, 4G and 5G networks are shared with Tele2 via their joint venture, Net4Mobility. In 2023 it has continued the positive trend in subscriber and revenue development.



Telenor Denmark

The Telenor Denmark brand launched in 2009, when Sonofon and Cybercity merged. Telenor had purchased both Sonofon (2000) and Cybercity (2005) prior to the merger. Telenor Denmark is the second-largest mobile operator in Denmark in terms of subscriber market share.

Through the main Telenor and CBB mobile sub-brands, it serves its 1.7 million mobile and 0.1 million fixed subscribers with combination of connectivity and value-added services centred around security. Telenor Denmark continues to execute on its Reimagine strategy kick-started in 2021, focusing on further development of its market position while modernising its network and technology and building a lean challenger operating model. Telenor Denmark operates a shared network with Telia.

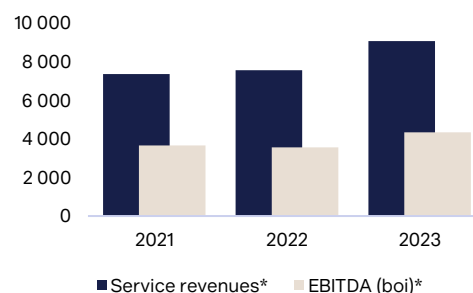


DNA Finland

Telenor entered Finland in 2019 through the acquisition of Finnish telecom operator DNA.

In Finland, DNA is the second largest operator by subscriber market share with 2.8 million mobile and 0.7 million broadband subscribers and goes to market under the DNA main brand together with the Moi fighter sub-brand.

Main value-added services for consumers are insurance and with a focus on security and networking solutions for the business segment. DNA has a shared rural network with Telia. It will continue to develop through targeted investments in fixed and mobile.



* All numbers as reported. Not adjusted for carve-out of tower business in Norway, Sweden and Finland. Refer to [Definitions and Alternative Performance Measures](#) for more information.



A leading telecom provider in the Nordic market

The Nordic telco markets stand out in the European telco landscape. Its customers are digitally advanced, with high dependency on and requirements for connectivity, and a high ability to pay. Further, customers in the region are looking to advance their personal lives and corporate ambitions through digitalisation. Telenor in the Nordics enjoy high trust from the services provided and can build on its trusted brand and its capabilities from offering connectivity to expand into adjacent service areas with partners. Delivering these services profitably requires a transformation to be able to develop these customer needs into profitable growth opportunities.

Telenor's aim is to be the leading Nordic telecommunication operator at delivering profitable growth, illustrated by ambitions for 2022-25 of low to mid-single-digit growth in service revenues and mid-single-digit growth in EBITDA. To support this, the strategy of Telenor Nordics is to leverage its strong position and further build scale in the region to deliver profitable growth, customer satisfaction and social impact.

Some of the key elements of the strategy are:

- To offer the best connectivity and network experience to customers across the Nordics, by investing in 5G, fibre and fixed wireless access technologies.
- To develop and launch innovative digital services and solutions that meet the evolving needs and preferences of customers, both in the consumer and enterprise segments, and which may be deployed across the markets. Telenor Nordics offers a range of services such as TV and streaming, software-defined networks (SDx) and security, IoT and e-health, and aims to create new revenue streams and increase customer loyalty.
- To drive operational efficiency and synergies across the region, by simplifying processes, optimising costs and sharing best practices. Telenor Nordics has a common operating model and a regional management team that oversees the four Nordic business units.
- Act responsibly towards societies and environment: Reduce Telenor's environmental impact in the Nordics with an absolute reduction in Scopes 1 and 2 emissions from operations by 95 per cent by 2030, and to have 68 per cent of supplier spend to be covered by science-based targets by 2025. Telenor in the Nordics is also focused on diversity and digital inclusion.

2023 in review

Telenor Nordics has focused on launching products to meet customer demand and ensure hassle-free customer journeys. Local initiatives include increasing product differentiation with the SME market (Norway), growing small accounts by scaling use of agreements, new service concepts and FWA acceleration (Denmark) and improving the service delivery pipeline to reduce time to value for customers (Finland).

Telenor Nordics has focused on improving customer experience. According to EPSI (2023); DNA was #1 in the Finnish market in both B2B and B2C. The Vimla brand was #1 in Sweden in B2C. CBB and Talkmore were among the top performers in Denmark and Norway respectively.

	Year		YoY change	
NOK in million	2023	2022	Reported	Organic
Service revenues	42 856	39 572	8%	3%
EBITDA before other items	22 812	21 187	8%	4%
Operating profit	9 197	9 143	1%	n.m.
Capex excl. lease	9 387	9 957	-6%	n.m.

Telenor Nordics delivered a strong financial performance in 2023, despite the challenges posed by inflation and competitive pressures in all markets. Service revenues increased by 3.4%, mainly driven by 4.7% within mobile from growth in the subscriber bases in Sweden, Denmark and Finland and increased ARPU from value added services and pricing initiatives. There was also growth within fixed service revenues of 0.8% driven by an increase in fibre and fixed wireless access subscribers and higher ARPU offsetting declining revenues from copper and cable related products. Operating expenses increased by 2.9% driven by inflationary pressure and personnel and sales acquisition costs, which were only partly offset by efficiency measures. EBITDA increased by 3.7%, negatively impacted by 1.6 percentage points from the phasing out of copper customers in Norway in 2023, partly offset by NOK 0.2 billion lower energy cost.

Investments remained substantial in all business units, reaching NOK 9.4 billion, or 16.7% of revenues, in total for Telenor Nordics. Modernising the mobile networks, including 5G rollout, was the main driver in all business units in addition to significant fibre roll-out and robustification investments in Norway, e.g., through double back-haul to mobile base stations. Significant milestones were reached, with fibre subscribers surpassing 400,000 in Norway and more than 90 per cent 5G population coverage in Finland and Denmark, and above 80 per cent and 60 per cent in Norway and Sweden, respectively. In Sweden, Net4Mobility, the network joint operation between Telenor Sweden and Tele2, acquired spectrum for a total consideration of SEK 1 475 million in the 900, 2100 and 2600 MHz frequency bands valid for use from 1 January 2026 until 2048/2050. Telenor Sweden paid 50 per cent of its share in October 2023 and the remaining part is due in the fourth quarter of 2025.



2023 marked the first year in over a century without any Telenor Norway subscribers on the legacy copper network, impacting revenue growth somewhat negatively, but enabling reduction in costs, most notably through reduced energy consumption as equipment for traditional fixed phone and copper based internet was shut down. By December 2023, the decommissioning activities had already secured electricity savings of 22 GWh and emissions of 8 500 tonnes of CO₂ annually were avoided. A significant programme has started to dismantle equipment from more than 4,500 locations, 400,000 poles and 143,000 kilometres of copper lines. This undertaking will take place over some years due to regulatory requirements to keep most of the network open for wholesale customers until August 2025.

2023 saw strong results from the efforts within customer satisfaction as proven by surveys in which Telenor brands were ranked among the best telco brands in all Nordic markets, with CBB in Denmark, Vimla in Sweden, and DNA in Finland in first place in their markets and Talkmore third in Norway.

In February, Telenor realised values by divestment of a 30 per cent stake in the newly established fibre infrastructure company, Telenor Fiber AS, in Norway to a consortium led by KKR with Oslo Pensjonsforsikring as co-investor. The

divestment of 30 per cent resulted in cash proceeds of NOK 10.8 billion to Telenor. Telenor Fiber AS is part of the Infrastructure business area and owns the passive fibre assets in Norway, including 130,000 km of cables that connect 560,000 homes.

In July, Telenor Norway reaffirmed its position as the leading operator in the industry with the four Norwegian Regional Health Authorities choosing Telenor to provide a wide range of telecom services. Indoor 5G coverage and security were emphasised as important factors. Telenor Norway was also awarded Ookla's best mobile network 2023 and the fastest for the sixth year in a row.

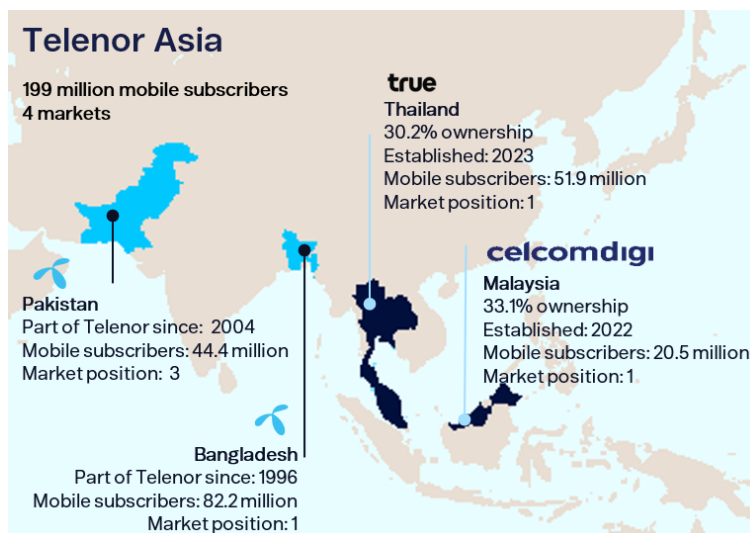
Providing additional services on top of telecommunications services is a priority for Telenor Nordics and several security services have been launched which have been received well by the customers. In Norway, the SAFE product has reached more than 300,000 customers in the consumer market and SafeZone has more than 100,000 customers in the business market. SafeZone was also launched in Denmark and Sweden this year, providing businesses with enhanced protection against phishing, malware and ransomware and stops up to 98 per cent of unwanted events. DNA won the Finnish Quality Award in recognition of excellence and building sustainable competitiveness.



Telenor Asia

Business area information and facts

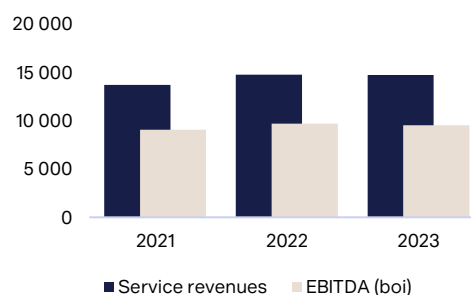
Since 1997, Telenor has been a pioneer in Asia. Across key markets, Telenor's operations have acted as change-makers, introducing mass-market mobile connectivity, innovative digital services and a firm commitment to responsible business conduct. During 2023, Telenor was a driver in setting up two of the largest mergers in Southeast Asia, utilising its expertise to balance structural changes with growth and modernisation. Telenor Asia enables progress in the region with connectivity and digital services. For over 25 years, Telenor's telecommunications companies have accelerated mobile adoption in Asia. Telenor's portfolio in Asia consisted of the following companies in 2023:



Grameenphone (55.8 per cent ownership)

Grameenphone is Bangladesh's largest mobile operator and is listed on the Dhaka and Chittagong Stock Exchanges. The company has been operating in Bangladesh since 1997.

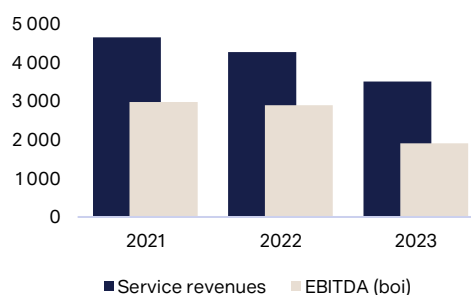
Grameenphone offers voice, data, and several value-added services to its 82 million customers through prepaid and postpaid plans. Continued efforts in network expansion and investment has increased its 4G subscriber base by 4 percentage points to 44 per cent YoY. The company is also diversifying its B2B portfolio, launching its IoT product line with dedicated app "alo" in Dec 2023 to offer a range of smart solutions.



Telenor Pakistan (100 per cent ownership)

Telenor Pakistan is the country's third largest mobile operator by revenue and subscriber base, offering voice and data services to primarily prepaid customers. The company launched commercial services in Pakistan in 2005.

The company executed its pricing strategy successfully in 2023, resulting in a gradual ARPU uplift. In December 2023, Telenor announced the sale of its telco operations to Pakistan Telecommunications Company Ltd (PTCL). The transaction values Telenor Pakistan at NOK 5.3 billion on a cash-and-debt-free basis. This includes repayment of intercompany loans of NOK 3.5 billion and reduced interest-bearing liabilities of NOK 1.8 billion, including leases. The agreement is subject to regulatory approvals and other customary terms and conditions, and the transaction is expected to be completed during 2024. Hence, Telenor Pakistan is included in all financial figures in this report.



**CelcomDigi** (33.1 per cent ownership)

CelcomDigi is the largest converged operator in Malaysia and was established through the merger of Celcom and Digi. The company is listed on the Stock exchange of Malaysia. Telenor first entered Malaysia in 1999. The merger between Celcom and Digi was completed in December 2022.

CelcomDigi offers a wide range of connectivity offerings, including home fibre and enterprise solutions to more than 20 million consumers, SMEs, and large enterprises in the country.

CelcomDigi is on track with its overall merger integration efforts, delivering more than the 5,000 consolidated sites in 2023, out of the planned total of 8,000. The company also launched a new unified corporate logo in October 2023, within a year after the merger.

governance standards ensure transparency, control and continued focus on responsible business.

The long-term ambition is to be a value-adding owner of market leading digital telecom positions through:

- Active engagement in all operational companies with the goal of maximising asset value and safeguarding Telenor's ownership interest. This includes realising synergies from mergers in Malaysia and Thailand;
- Enhancing culture and capabilities, with attention around leadership, succession and building critical capabilities;
- Optimising and growing Asia's portfolio to unlock value via strategic partnerships, asset spin-offs and adjacent business optimisation. This includes potential structural opportunities on the regional level;
- Driving ESG principles in the way of work across all the operating units, with increased attention on climate ambitions and ensuring strong governance.

True Corporation (30.2 per cent ownership)

True Corporation is a telecom-tech frontrunner with 55 million customers across mobile, broadband, and television in Thailand. The company is listed on the Thailand Stock exchange. Telenor entered Thailand in 2000. True Corporation is the result of an amalgamation of the Thai telecom operations True and dtac in March 2023.

True Corporation began execution of its integration plan in 2023, and at its first Capital Markets Day, held on 26 September 2023, the company committed to deliver THB 250 billion NPV of synergies.

2023 in review

Together with strong partners Telenor established two market leading telcos in its most advanced markets in Asia: CelcomDigi in Malaysia and True Corporation in Thailand. These mergers were made possible due to a robust commitment to executing on the structural agenda. In Bangladesh, Grameenphone worked hard to rebuild its customer base after last year's ban on SIM sales. The company was able to deliver profitable growth albeit large, enforced payments to authorities following a series of legal disputes, ref. [Note 23](#) in the Financial Statements. In the fully owned operation in Pakistan, the company was transformed to be better adapted to the unpredictable market conditions and achieve a solid operational performance in a high inflationary environment. Telenor's footprint reached 199 million customers in these four countries at the end of the year.

Develop market leading positions and a cash flow focused operation

There continues to be good opportunities for value creation in Asia. In Bangladesh, most customers are still relying on traditional telecom services like voice and SMS, and the value potential lies in data monetisation and supporting an inclusive digitalisation of the country. In Thailand and Malaysia, customers are digitally mature and require efficient and innovative connectivity solutions. This is best supported by the larger entities coming out of the two mergers, operating more efficiently with improved scale and having the size to develop the market towards digitalisation.

Telenor aims to contribute to and capitalise on the economic growth of the region through market-leading positions. Cash flow contribution will be driven by sustainable profitable growth, as well as the significant synergies expected from the mergers in Thailand and Malaysia. Telenor remains confident that its high

	Year		YoY change	
NOK in million	2023	2022	Reported	Organic
Service revenues	18 239	19 019	-4%	4%
EBITDA before other items	11 354	12 516	-9%	-1%
Operating profit	7 134	5 442	31%	n.m.
Capex excl. lease	2 307	2 373	-3%	n.m.
CelcomDigi	647	-	647	n.m.
True Corporation	(8 321)	-	(8 321)	n.m.
Others	(364)	(194)	(170)	n.m.
Net income from associates	(8 038)	(194)	(7 844)	n.m.
Dividend from associates	1 136	283	853	n.m.



In Telenor Asia, organic service revenues improved by 4.3% and EBITDA decreased by 1.2%. This performance was driven by mobile ARPU growth in both Bangladesh and Pakistan, more than offsetting the negative impact of inflationary pressure and higher energy prices. As inflation affects customers as well, Telenor's value proposition is as important as ever before; there is high demand for data and digital services and attractive value to be captured for Telenor.

Grameenphone continued to expand its customer base through 2023 after the ban on SIM sales was lifted in January. Further, Grameenphone continued to support and provide programmes related to online safety, digital inclusion and upskilling and there were new initiatives launched during 2023. More information can be found in the [Sustainability statements](#).

In Pakistan, management's focus remained on navigating in a very challenging business and macroeconomic environment by prioritising high-value customers, while balancing network quality and ensuring prudent cost management. Telenor Pakistan has also continued to work on many initiatives related to digital literacy, education and safe and responsible use of internet. More details can be found in the [Sustainability statements](#).

CelcomDigi in Malaysia reported stable service revenues and EBITDA growth of 3% in 2023 compared to the company's guidance to maintain service revenue growth momentum and have flat to single digit EBITDA growth whilst keeping capex in the range of 15-18% of revenues. Full year capex/sales ended at 14%. The board of CelcomDigi declared quarterly dividend payments through 2023, of which Telenor received NOK 1.136 billion in 2023. CelcomDigi has set an ambition to realise synergies of MYR 8 billion (around NOK 18 billion) net of integration costs for the time period 2023 to 2027. Most efficiency gains are expected to be realised within the network area. As of 31 December 2023, the market capitalisation was NOK 105 billion on 100% basis, of which Telenor's economic interest accounts for NOK 35 billion.

True Corporation (True) in Thailand delivered stable service revenues in 2023 compared to 2022. Operating costs were significantly reduced across several categories and EBITDA increased by 3.6% compared to last year. This compares to True's outlook of flat service revenues and low to mid-single digit EBITDA growth. Capex ended at THB 37 billion (NOK 18 billion). True hosted a Capital Markets Day on 26 September where they presented their financial targets as well as quantified their post-merger synergy target of THB 250 billion (around NOK 75 billion). The company reported THB 1 billion synergies net of integration costs realised in 2023. As of 31 December 2023, True's market capitalisation was NOK 51 billion on 100% basis, of which Telenor's economic interest accounts for NOK 15 billion.

In Telenor Asia's results for 2023, net income from associated companies and joint ventures was NOK -8,038 million, as positive contribution from CelcomDigi was more than offset by write-down of shares in True reflecting True's share price development.

Telenor Infrastructure

Business area information and facts

Telenor Infrastructure comprises Telenor's passive infrastructures in the Nordics, including telecommunication masts and towers, fibre and data centres. The focus is to develop the full potential of the infrastructure assets by prioritising operational efficiency and new revenue sources. The setup also gives Telenor the optionality to bring in external partners to both fund and support the value of the assets.

Towers

Telenor Towers consists of more than 20,000 sites. These are masts, towers, and buildings that are strategically placed across the Nordic region (more than 14,000 in Norway, 4,000 in Finland and 2,000 in Sweden). Each site is core infrastructure for small and large operators, and functions as hubs for mobile networks, fibre networks, and cable TV, as well as radio and TV signals. They are also essential for the rollout of 5G. Telenor Towers offers colocation at all its sites.

Data centres

Together with partners, Telenor has established a company that will build secure and energy-efficient data centres in the Oslo area. The new company's ambition is to build three data centres, with a total capacity of 40 MW, in the capital region. The data centres will be co-location facilities for several tenants. Telenor Norway will also utilise these data centres to meet own needs, including associated strict security requirements.

Fiber

Telenor Fiber AS is a company owning most of the passive fixed infrastructure in Norway. In 2023, KKR acquired 30% of the company. Telenor Fiber AS works closely with Telenor Norway on rolling out new fibre infrastructure and growing the subscriber base. Telenor Fiber AS is reported as part of Telenor Norway. The transaction is further described in the Telenor Nordics section.

Develop Infrastructure through operational efficiency and new revenue sources

With increasing digitalisation, the need for the physical infrastructure to support the development will be in demand. The customers of the infrastructure business area will be other telecom operators, but also corporate customers with demand for digital infrastructure like data centres. Security, resilience, reliability, and climate impact become more important selection criteria as the digital infrastructure becomes more critical to all operations in society, and Telenor Infrastructure is well placed to deliver on these demands.



Telenor Infrastructure's Nordic tower business includes the fully owned tower companies in Norway, Sweden, and Finland, consisting of approximately 20,000 sites. Telenor Infra in Norway has been operational since January 2020, Telenor Tower Sweden since May 2021, and DNA Tower Finland since October 2021 and together are now called Telenor Towers. The tower companies' mandate is to operate, optimise and modernise Telenor's passive infrastructures (towers, masts, and properties) for mobile, fixed and broadcasting. They sell co-location services to both Telenor's own telcos as well as to external customers. Prices in Norway are regulated towards other telco operators. The responsibility for operating the active equipment (i.e., radios, antennas, and transmission) remains with the respective telcos and external customers.

Telenor Infrastructure's ambition within data centres is to build a leading Nordic co-location player. The ambition is to develop state-of-the-art data centres together with partners and capture profitable edge cloud business opportunities.

2023 in review

In 2023 the focus of Telenor Towers has been to grow the business, develop best-in-class operations and to ensure a sustainable and responsible business. The focus on growth opportunities in terms of increasing numbers of mobile sites and external tenancies has been particularly important to compensate for the revenue decline caused by the copper decommissioning in Norway and the 3G sunset in Sweden. Securing efficient and reliable delivery according to customer demand and roll-out plans has been top priority. Site build-out and upgrades, especially for 5G, have significantly increased the workload over the past few years and is by far the most resource intensive (people, sub-contractor, capex) activity in the TowerCo businesses. Modernisation of the tower infrastructures and IT systems to support good customer interactions and efficient operations has been another particularly important and resource demanding activity.

A third important activity has been to further develop a sustainable energy eco-system that improves power efficiency, minimises climate impact, and provides cost predictability. Purchasing renewable energy is one of Telenor's most significant measures to reach its science-based climate targets. The company therefore seeks to support the construction of new renewable power plants in the markets where it operates. A significant contribution to the achievement of Telenor's climate target was made when a 10-year Power Purchase Agreement (PPA) with Statkraft was signed on 3 July. The agreement ensures that around 80 per cent of the purchased power for the Finnish subsidiary DNA comes from a new wind farm to be built in Finland. The Palokangas wind farm will start its operation late 2024. This agreement provides a solid contribution to the decarbonisation of the electricity supply, as well as new capacity to hedge against volatile energy prices. Telenor has previously signed similar agreements for the Norwegian and Danish operations, which also was a vital part of the target-based approach to reduce emissions.

A key achievement in executing the data centre strategy was made in February by establishing a company together with Hafslund (31.7 per cent), HitecVision (31.7 per cent), and AnalysysMason (5.0 per cent). This partnership will offer

solutions to customers that demand a safe and energy-efficient location to store data critical to society. The new company's ambition is to build three data centres in the Oslo region. The data centres will be co-location facilities for several tenants. The construction of the first data centre will commence early in 2024.

NOK in million	Year		YoY change	
	2023	2022	Reported	Organic
Total revenues	3 399	3 427	-1%	-3%
EBITDA before other items and after lease depreciation	1 711	1 537	11%	8%
Operating profit	1 119	962	16%	n.m.
Capex excl. lease	834	901	-7%	n.m.

In 2023, revenue decline from sunseting of legacy networks has been offset by increase in 5G rollout and external customer growth. Power revenues have also decreased in 2023. But lower energy prices increased operational efficiency and increasing customer volumes have led to an improved EBITDA margin (after lease depreciation) margin of 50 per cent in 2023.

Telenor Amp

Business area information and facts

Telenor Amp's portfolio in 2023 consisted of the fully owned companies Telenor Satellite¹, the IoT provider Telenor Connexion, the provider of mobile networks at sea Telenor Maritime, the global connectivity provider Telenor Linx, the smart building company BLDNG.AI, as well as several non-controlled investments, including the TV distributor Allente (50per cent ownership) and the online classifieds company Carousel (29 per cent ownership).

Telenor Connexion

Telenor Connexion is a world leading, managed IoT services provider that helps enterprises to connect and operate their devices. Headquartered in Sweden, it has over 20 years of experience and 180 dedicated IoT specialists, bringing a unique knowledge to cost efficiently build and operate large scale international IoT solutions. It provides a portfolio of managed IoT connectivity and device-to-cloud services in the Nordics as well as across the world with local representation in many countries across Africa, the Americas, Asia-Pacific, and Europe.

The company manages international IoT deployments for global customers such as Volvo, Scania, Hitachi, Verisure Securitas Direct and Husqvarna across around 200 countries.

Telenor Connexion is the driver of Telenor IoT – the consolidated portfolio of IoT solutions from Telenor Group, managing more than 20 million IoT connections across the world.

¹ The divestment of Telenor Satellite to Space Norway was announced in November 2023 and the transaction completed in January 2024.



Telenor Maritime

Telenor Maritime is a leading provider of maritime communication services, servicing more than 1,000 vessels and rigs globally. Its product portfolio covers connectivity, onboard mobile and wifi services, and digital services enabling both shipowners and ship equipment suppliers to digitalise their operations.

Telenor Maritime serves more than 30 million passengers in the cruise and ferry industries. With the digital solutions Telenor Maritime provide an open interface for enabling cyber secure interoperability onboard any type of vessels. The Unified Hosting Service (UHS) is a modular digital service platform integration to onboard network solutions and applications.

Telenor Maritime serves the majority of the European ferry and cruise market, and is gradually building its portfolio into the maritime merchant market globally

Telenor Linx

Telenor Linx is a platform company born out of a merger between Telenor Global Services and Telenor Digital in 2022. Linx combines telco asset and digital capabilities to address the need for seamless international communication, account security, payment by mobile bill and digital sales of data through super apps.

Linx is connected to 500 MNOs and 100 global partners serving customers around the world with headquarter in Norway. By scalable platforms and APIs, Linx helps telcos to serve their mobile customers.

BLDGN.ai

BLDNG.ai is a Start-up Protech company focusing on space optimisation and insights. The company was spun out of Telenor Smart buildings in April 2021 and has since managed to build a scalable platform with a clear value proposition for Commercial Real Estate.

The platform has been developed in cooperation with DNB (the largest Norwegian Bank) and Telenor. In addition to this, BLDNG.ai has successfully sold and installed the solution at large organisations like Oslo County Council, BaneNOR, BI Norwegian Business School, Aker BP and Sweco amongst others. The focus for 2024 is to scale sales and marketing to ensure adequate growth and future profitability.

Exploring opportunities in high-growth markets close to Telenor's core business

Telenor Amp aims to develop, refine and create value close to the core of telco services, with IoT and security as the main focus areas. The ambition is to build leading Nordic service offerings in high-growth markets close to the core.

The business area focuses on developing and building new and innovative digital services within Telenor's existing independent entities, in addition to potential new ones - also together with external partners where that adds value. The underlying rationale for Telenor Amp is that such service companies follow a different value creation logic than a telco-business, and therefore should have a focused management. Telenor Amp applies a develop-or-divest strategy to the portfolio, and also includes several non-core assets which are actively managed for exit.

2023 in review

In the Telenor Amp business area, organic revenues improved by 4% and organic EBITDA decreased by 14%. The growth was driven by strong momentum in Telenor Connexion that attracted new customers and delivered high volumes of new IoT SIM cards to existing accounts and saw solid traffic expansion supporting its customers in logistics, fleet management, manufacturing and object tracking. Telenor Linx benefitted from winning a large messaging agreement enabling Telenor's business units to receive international messages. Telenor Maritime, which was heavily impacted during the global pandemic, saw continuing growth in traffic volumes from their services offered to the cruise, ferry and offshore industry in 2023. Traffic volumes have surpassed pre-pandemic levels.

	Year		YoY change	
NOK in million	2023	2022	Reported	Organic
Total revenues	4 734	4 525	5%	4%
EBITDA before other items	1 279	1 473	-13%	-14%
Operating profit	732	995	-26%	n.m.
Capex	196	325	-40%	n.m.
Net income from associates	(396)	(102)	(294)	n.m
Dividend from associates	102	285	(183)	n.m

In Telenor Amp's results for 2023, net income from associated companies and joint ventures was NOK -396 million due to write-down of assets in Allente.

Key achievements in 2023 were the divestments of Telenor Satellite and Working Group Two, both transactions in line with the strategy of realising value in the Telenor Amp portfolio. The companies have found future homes with owners that share visions for how these industries should evolve. In November, Telenor entered into an agreement with Space Norway, a leading player in the Norwegian space industry, regarding the sale of Telenor Satellite for a sales price of NOK 2.36 billion on an enterprise value basis. After the approvals by the Norwegian government, the transaction was closed in January 2024. In August, Telenor announced that all shares in software company Working Group Two will be acquired by the global communications technology company Cisco. Telenor sold its 44.6 per cent share in a transaction where Cisco acquired all shares in the company for an enterprise value of USD 150 million. The transaction was completed in October 2023.



Risk management

A well-functioning Enterprise Risk Management (ERM) is crucial for Telenor to achieve our strategic ambitions. It is also a commitment to our stakeholders. Telenor is exposed to a wide range of risks across multiple markets. These are prioritised based on a materiality assessment, with a primary focus on mitigating and reducing exposure to acceptable levels. Telenor also performs a double materiality risk assessment related to sustainability topics. This chapter describes how risks are managed across Telenor, the processes and the organisation set up to manage risks, and highlights some of the key risks facing Telenor and how these are handled.

Risk management and responsibility in Telenor

The involvement of the Board of Directors

Telenor's risk management objective is to earn competitive returns from its business activities at acceptable risk levels and without compromising its purpose, values and Code of Conduct. The Board of Directors of Telenor ASA (Board) and its Risk and Audit Committee (RAC) have key oversight roles in the ERM process and carry out regular reviews of the company's most important areas of exposure and its internal control arrangements.

In 2023, the Board had several deep dives into major risk areas, such as cyber security and geopolitical risks in the supply chain, in addition to the established practice to review the Group's top risk picture twice a year. The RAC refined and enforced its processes to fulfil its supervisory role of risk governance structure, risk management practices, procedures and policies, ensuring that a yearly review is conducted thereof. Moreover, RAC reviewed the risk management set-up of Telenor Asia and will include regular follow up of financial risks in their meetings going forward.



"In the current landscape of macroeconomic and geopolitical uncertainties, navigating complexities is not a challenge to evade but a terrain to skilfully navigate. The Board of Directors believes that effective risk management is the compass that guides Telenor through this intricate journey, ensuring sustainable value creation and resilience."

Ottar Ertzeid, Chair of Risk and Audit committee



The Board has set out its responsibilities for oversight of the company's risk picture and profiles in its instructions as follows:

"The Board shall /.../ [e]nsure that the company's most important commercial and operational risks are identified and that measures are implemented to deal with these, and carry out an annual review of the company's most important areas of exposure and its internal control arrangements."

The RAC responsibilities associated with risk management and control are set out in its charter, and the annual wheel ensures that such responsibilities are covered throughout each calendar year:

- Supervise the Group's risk governance structure and risk management practices.
- Supervise the procedures to identify and assess financial and non-financial risk and implications.
- Review and discuss the risk policies and risk management and present the holistic picture to the Board for the Board's consideration and approval.
- Review the suitability of the risk reporting to the Board as well as externally.

At least once a year discuss the risk matrix and present its observations and opinions to the Board during Management's presentation.

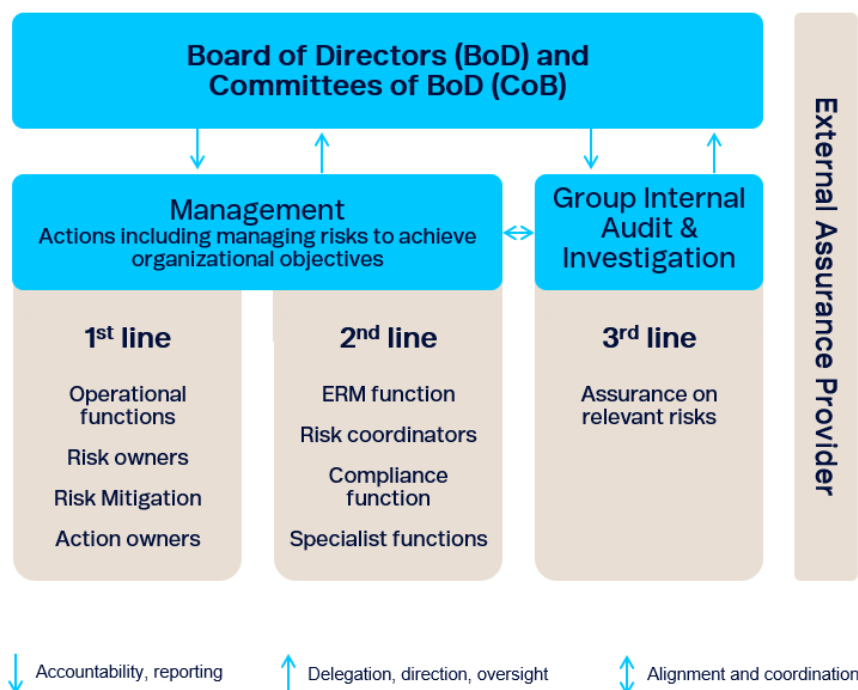
Three lines model

Telenor follows a three lines model to ensure clarity of roles and responsibilities in the context of risk management.

The first line resides with managers at all levels throughout Telenor, who are required to assume responsibility for risk management within their areas of responsibility and ensure that risk management is embedded in day-to-day business processes. Ownership of top risks and corresponding risk responses lies with the Executive Vice Presidents of the company. The most important risk areas are regularly discussed in the executive management meetings.

The second line includes Group ERM, Group and Asia Compliance and other specialist Group functions. The second line functions develop policies and procedures for managing risk, facilitate risk assessments and contribute to the bi-annual ERM status updates. More broadly, they support, challenge and monitor the first line. In addition, Group ERM is the facilitator of the risk management process and the operational risk management activities and assists management with maintaining an appropriate risk management framework, including policies, procedures, and tools, as well as maintaining an aggregated view of top risk exposures.

Group Internal Audit and Investigation provides assurance as the third line function. The department ensures a systematic and disciplined approach to evaluate and improve the effectiveness of Telenor's risk management, control, reporting and governance processes.



Three lines model diagram



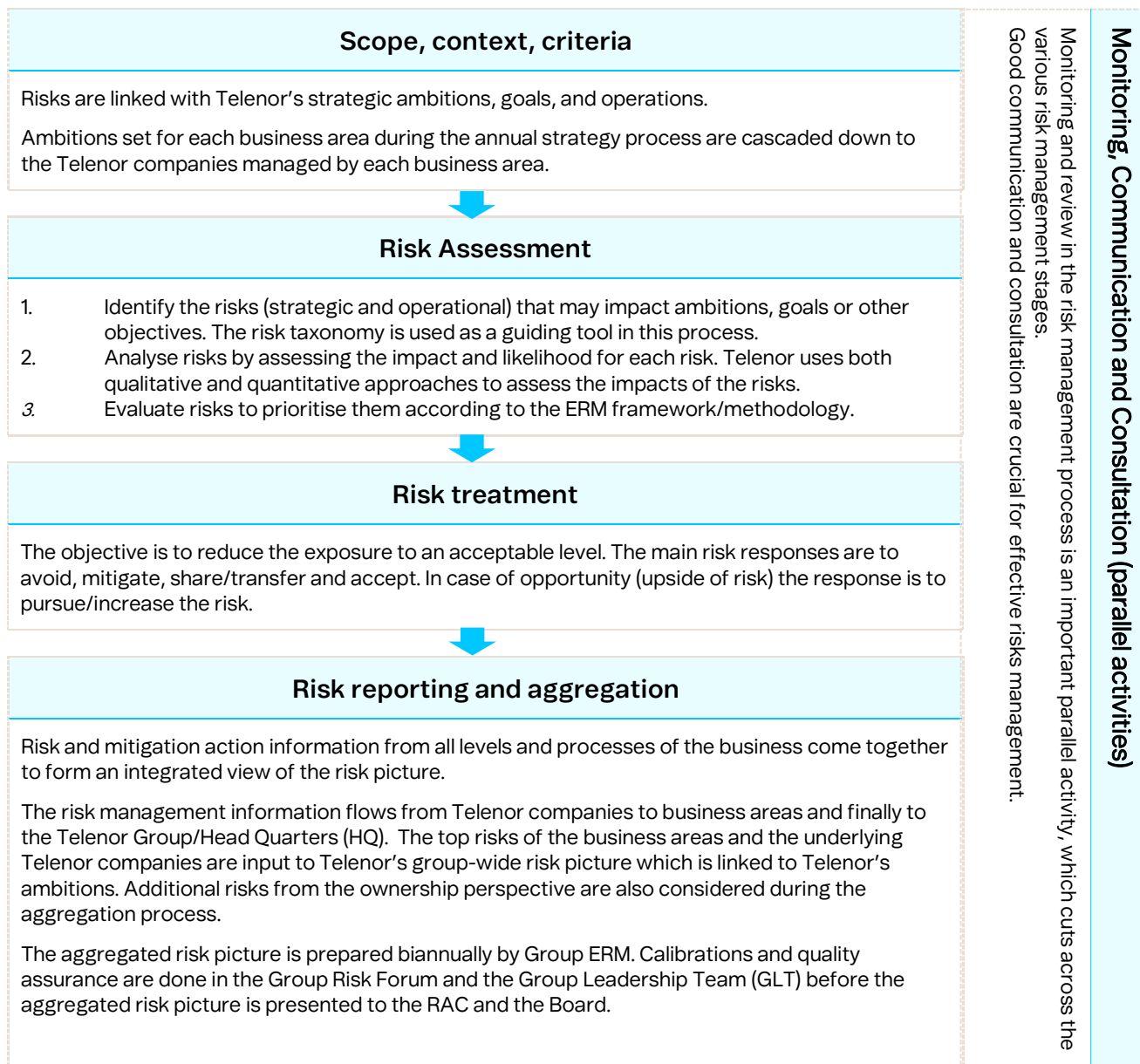
Risk management process

Key steps in the risk management process

ERM in Telenor is a coordinated process, which pulls together risk and mitigation action information using both a top down and a bottom-up approach to form an integrated

view of the risk picture. This ensures a consistent risk management effort across the company.

Telenor's risk management process is broadly based on ISO 31000:2018 and is an iterative and dynamic process. The process includes the following steps and is implemented across all business areas and the Telenor companies¹:



Risk taxonomy

An important part of the process is Telenor's risk taxonomy comprising a comprehensive, common and stable set of risk categories and sub-categories. It ensures a uniform approach of risk identification and assessment process across the Telenor companies and facilitates a risk aggregation process at the Telenor Group level. The risk taxonomy is reviewed periodically.

Risk appetite

Risk appetite is broadly defined as the level of risk an entity deems acceptable in the pursuit of its overall goals. Telenor's Code of Conduct sets out standards that Telenor commits to within various areas, such as but not limited to, corruption, climate and environment, health and safety, privacy and human rights. For the full version of Telenor's Code of Conduct, refer to Telenor.com. The objectives and appetite for financial risks are described in [Note 31](#) to the consolidated financial statements and include measures to limit liquidity risk, interest rate risk, currency risk and credit risk.

¹ Telenor company means a subsidiary, or a set of subsidiaries directly or indirectly controlled by Telenor ASA.



Risk overview

Development of risks in 2023

Telenor is exposed to a broad set of risks. Regulatory, political and macroeconomic risks are among the most prominent risks, particularly in Asia. The Nordics are also exposed to such risks, albeit less pronounced and slightly different in nature. People safety risks continue to be challenging for Telenor operations in Asia. Telenor is also exposed to geopolitical risk across the business, particularly with regards the potential impact on supply chains and the telecom equipment the company is allowed to use. Several of the risk areas are influenced by external factors. The significant price hike in the energy market immediately following the outbreak of the Russia-Ukraine war has been moderated somewhat during 2023, especially in Europe. However, the recent conflict between Israel and Hamas including the Houthi attacks on shipping in the Red Sea is increasing the risk of potential disruption in transportation including the oil supply from the middle east region and may aggravate the economic slowdown and inflation already caused by the war in Ukraine. The global geopolitical situation is increasing the risk of supply chain disruption due

to escalating trade tension and sanctions, increasing cyber threats and risk of sabotage of critical infrastructure.

In Bangladesh and Pakistan, we are observing deterioration of the political and economic situation, which may increase the risk of civil unrest, security concerns and financial instability. In Bangladesh there is a shortage of US dollars (USD) making it difficult to convert Bangladeshi Taka (BDT) in USD or other foreign currency, limiting the ability to repatriate funds through dividends from Grameenphone.

During 2023, Telenor made structural changes through mergers in the ownership of operations in Thailand and Malaysia to reduce the risk exposure in the Asian portfolio. Furthermore, Telenor announced the sale of its Pakistan telco operations in December 2023. The sale agreement is subject to regulatory approvals and other customary terms and conditions and is expected to be completed during 2024.

The section below highlights some of the main risks and uncertainties that may impact Telenor's operations and how these risks are managed. Many of the risk areas are related to sustainability topics, and these are covered in more detail in the Sustainability Statements.

Business security (cyber and physical security)

Risk factors

Telenor is processing, storing and transmitting significant volumes of confidential information that needs to be safeguarded. The continuously volatile geopolitical situation and rapidly evolving threat landscape has increased the risk of disruptive cyber-attacks (i.e., ransomware) and physical attacks (i.e., sabotage on physical critical infrastructure). This requires Telenor to maintain a heightened level of preparedness to ensure digital resilience.

The rapid development of Artificial Intelligence (AI) and Large Language Models (LLMs) offers vast opportunities but also come with additional challenges.

Potential impacts

Loss, mismanagement or unauthorised disclosure of substantial volumes of confidential information could adversely affect customers and consequently Telenor's business and reputation and could lead to fines.

Operational loss from disruption of services caused by disruptive attacks may lead to an adverse impact of revenue loss and diminishing trust affecting Telenor's brand.

Risk mitigation/response

Telenor has established a security maturity programme that continuously measures the security posture across its entities and drives gap closing activities.

Telenor's security community actively engages in threat intelligence sharing to increase situational awareness and to provide actionable insights. Telenor has deployed a Secure-by-design and risk-based approach using Telenor's Defendable Architecture and industry best practices.

There is also focus on continuous engagement and training on awareness and culture for the wider organisation.

See more information in the [Sustainability statements](#).



Supplier and supply chain risk

Risk factors

Telecom supply chains have grown in complexity due to technological advancement, the dynamic nature of the industry and the diverse array of supplies required from various global locations. There is also an increased risk for Telenor with subsidiaries spanning two continents.

Potential impacts

Such risks can lead to increasing prices and inventory holding costs due to supply volatility, economic fluctuations, and geopolitical tensions. Constraints and interruptions in supply chain may also affect product and service quality which may have reputational impact.

Legal and regulatory challenges could arise from supplier non-compliance with applicable sanctions, labour laws, export control policies, and environmental regulations. In addition, comes concerns regarding data security due to cyber-attacks and potential data leakage from supplier systems.

Risk mitigation/response

Telenor has unified its procurement and supplier management through Telenor Procurement Company (TPC) focusing on building resilience and diversification through effective supplier and supply chain risk management.

This enables Telenor to monitor and identify emerging challenges and respond to them effectively. Having long term supply agreements, building innovative partnerships, demand planning and forecasting, optimising inventory levels and logistics in anticipation of lead times, utilising procurement scale for competitive market prices and ensuring robust category strategies are key mitigations.

See more information in the [Sustainability statements](#).

Privacy and protection of personal data

Risk factors

The privacy risk relates to the compliance risks of personal data protection as regulated by relevant privacy laws and regulations, as well as lack of trust from stakeholders, customers and employees.

Potential impacts

The impact on Telenor may be loss of license to operate, substantial fines, class actions, loss of business opportunities, loss of trust as well as lost revenues.

The risk may also impact the society and individuals.

Risk mitigation/response

To manage its privacy risk, Telenor has established a group-wide Privacy Policy reflecting important privacy principles, risk areas and related control domains.

The implementation of the Privacy Policy is monitored across the company.

See more information in the [Sustainability statements](#).

Network quality and robustness

Risk factors

The quality and reliability of Telenor's telecommunications services depend on the resilience and stability of its network, including the networks of other service providers with which it interconnects. These networks are vulnerable to service interruptions, damage or data breaches coming from targeted and advanced cyber-attacks.

New technologies are more robust in response to cyber-attacks and more resilient to climate change and extreme weather events. Telenor ensures continued improvements in network quality by investing in increased redundancy and resilience of systems and modernisation of equipment and technology.

Potential impacts

Repeated, prolonged or major network or IT system failure could affect customers and damage Telenor's reputation and financial performance, including its ability to attract and retain subscribers.

Risk mitigation/response

Defendable Architecture based on industry recognised standards has been established to ensure that Telenor has the ability to protect its networks and data from potential attacks or breaches. Operational processes have been deployed to ensure conformity to legal and security requirements.

Continuous proactive assessment, testing and audits to identify gaps in operational and technical capabilities are in place to ensure business continuity and recovery from unwanted incidents. Telenor deploys significant resources to stop scam calls, spam, nuisance, unwanted robocalls and unsolicited calls, which constitute a significant industry challenge.



People risk

Risk factors

There could be a difficulty in attracting, developing, and retaining skilled employees. The transformation of Telenor's organisation can cause uncertainty with employees.

Potential impacts

The lack of ability to attract and retain talent can lead to increased salaries, lack of operational efficiency, lack of innovation, loss of competitive advantage and lack of ability to reach strategic ambitions. The amount of change can lead to disengagement and therefore decrease in operational efficiency and/or increased turnover of employees.

Risk mitigation/response

Telenor aims to be an attractive employer. Employee satisfaction is measured regularly, and Telenor aims for all employees to have development plans and access to relevant learning and development activities.

Telenor focuses on change management, continuous communication to cater for strategic understanding, regular surveys of employee wellbeing to understand needs and implementing the right initiatives to support employees during change processes.

See more information in the [Sustainability statements](#).

People safety

Risk factors

Employees and suppliers involved in Telenor's operations are exposed to a range of health and safety risks. Traffic, work at height, network rollout projects in remote locations, terrorism, natural disasters, social unrest, ergonomics and stress remain risk areas that are relevant to Telenor, particularly in the Asian markets.

Potential impacts

Risk can lead to fatality or serious injury to employees and suppliers. There is also a risk of legal liabilities due to non-compliance with health and safety regulations. Reputational damage could be the result in cases of violations of labour standards related to health and safety incidents involving particularly suppliers. Potential loss of critical competencies and increased backlog of important tasks resulting from higher sick leave is another potential consequence.

Risk mitigation/response

Telenor has implemented a set of policies guiding its approach in this critical area with the aim to reach zero injuries to employees and business partners. There are rigorous safety protocols and training programmes in place to conduct risk assessments.

Currently, and over the past 3 years, Telenor Asia has invested significant efforts into a Safety Advance Program that aims to strengthen the Health and Safety culture across the Asian business units and the suppliers and business partners. The program includes carrying out cultural assessments and developing targeted improvement plans to address the key risks.

Furthermore, Telenor uses internal and external audits and corrective measures are implemented to mitigate the risk of recurrence of incidents. Telenor has a systematic approach to incident investigations, aiming to facilitate learning, provide training and monitor risks.

See more information in the [Sustainability statements](#).

Corruption risk

Risk factors

Corruption is a threat to Telenor's business and the societies where the company operates, particularly in Asia. It can undermine legitimate business activities, distort competition, damage reputations, and expose individuals to risk. Corruption-related risks include bribery and trading in influence.

Potential impacts

The impact includes fines/penalties and reputational damage as well as negative consequences to economic and social development in the affected societies.

Risk mitigation/response

A risk-based Anti-Corruption Compliance Programme to prevent, detect and remedy corruption risk is implemented in all Telenor subsidiaries. Telenor has a global network of compliance officers who support implementation of the programme in its subsidiaries.

See more information in the [Sustainability statements](#).



Climate and environment

Risk factors

Climate-related physical risks include potential damage to vital infrastructure and utilities through the impact of more extreme weather events like flooding, cyclones, rising sea levels and wildfires. Climate-related regulatory risks include higher GHGs emission costs, energy and fuel taxes and higher capital costs from renewable energy transition requirements.

Potential impacts

Increased frequency and severity of extreme weather events and chronic climate change may lead to damage to Telenor's networks and infrastructure and increased costs of repair, maintenance and pro-active investments to increase the resilience of infrastructure. Global increase in demand for renewable electricity will potentially lead to increased cost of securing said energy. Increase in the cost of emitting GHGs will lead to increased inflation due to climate policy changes.

Risk mitigation/response

Telenor has committed to reach net zero climate emissions by 2045.

Telenor is pro-actively investing in infrastructure where withstanding severe weather is a design criterion. In flood prone areas in Asia tower fundamentals are raised and equipment is mounted in the towers rather than on the ground. In Norway investments in dual fibre connections to towers are expected to reduce downtime due to severed fibre by 90 per cent.

Telenor is pro-actively sourcing renewable electricity through long term Power Purchase Agreements (PPA), to secure access to renewable energy at predictable costs.

See more information in the [Sustainability statements](#).

Human rights

Risk factors

Telenor's most salient group-wide human rights risks remain ensuring the right to privacy and freedom of expression, working conditions including health and safety in the supply chain, forced and child labour in supply chain, cyber security and children's online safety.

Potential impacts

Consequences include compromised health and safety for underprivileged and minorities as well as children and underaged working in hazardous conditions which in turn could lead to children without leisure time and education opportunities. A shortage in labour supply could lead to systemic forced labour.

Legal liabilities, reputational damage, and other complaints against Telenor.

Risk mitigation/response

Respect for human rights is integral to Telenor's business and embedded in Telenor's Code of Conduct and Telenor's Supplier Conduct Principles. Telenor performs due diligence to identify and address human right challenges.

Telenor has tools and processes and a risk-based approach in managing and monitoring business partners. Telenor also has programs and initiatives addressing cyber security and online safety.

See more information in the [Sustainability statements](#).

Spectrum

Risk factors

There is a risk related to the timing of spectrum acquisitions, their price levels, and impact on Telenor's market positions and value creation in the Asian markets. There is a low risk associated with spectrum in the Nordics.

Potential impacts

Spectrum related risk may have significant financial impact and creates uncertainty and challenges for network investments and could lead to Telenor not being able to provide services due to lack of required spectrum.

Risk mitigation/response

Telenor supports efficient use of radio spectrum resources for the increasing demands for mobile broadband capacity. Specific spectrum risk responses are developed on a case-by-case basis. Spectrum auctions are handled by a centralised team with specific competence and experience in the relevant aspects of spectrum auctions and deployment.



Regulatory risk

Risk factors

Telenor's operations are subject to requirements through sector-specific laws, regulations and national licences. Telenor depends on licences and access to spectrum and numbering resources in order to provide telecommunication services.

The risk is particularly high in Asian markets with issues related to high spectrum prices, tax regulation and disputes, renewal of licenses and general unpredictability in the business environment. In Bangladesh, Grameenphone has several pending and unresolved regulatory and legal cases. Telenor Pakistan¹ continues to be subject to arbitrary assessments and unpredictable application of tax legislation.

In addition to sector specific regulation Telenor's operations are exposed to general regulations including but not limited to competition law. In Telenor's markets Bangladesh and Norway Telenor are exposed to the risk of being alleged of abuse dominant position for Telenor Norway and Grameenphone.

Potential impacts

Regulatory risk could affect Telenor's results and business prospects. Unforeseen events could cause disruption in rollout plans and result in the risk of not meeting mobile license obligations. In Bangladesh, the risks can impact the commercial freedom of Grameenphone, and lead to an increased financial burden through unexpected tax cost and negative impact on reputation.

Violation of competition laws are subject to severe sanctions and can also result in damage claims.

Risk mitigation/response

Telenor is committed to working towards securing modern regulatory frameworks and tax regimes, ensuring that everyone can derive the full benefit of a digital society.

Proactive engagement with key government stakeholders is key to gaining better understanding and insights regarding the requirements.

Telenor is also re-assessing legacy disputes and de-risking the litigation portfolio by settling selected cases through Alternative Dispute Resolution (ADR) process.

Telenor Group has an efficient and well-functioning competition compliance programme aimed at reducing competition law risks throughout the Group, which leaves this risk at a moderate level.

For more information, see [Note 23](#) Legal disputes and contingencies in the Financial statements.

Restrictions on use of suppliers/partners of IT and Network

Risk factors

Governments place restrictions on which suppliers can be used. There are, for instance, certain suppliers that cannot be used for 5G solutions in several European countries. The restrictions are typically referring to suppliers from specific countries and is relevant for most key technology domains including services.

Potential impact

Such restrictions are observed for the installation of new solutions but could also have an impact on installed base. So far, this risk seems to be more pronounced for operations in Europe. From a procurement perspective, such restrictions could make it more difficult to have a competitive tender process.

Risk mitigation/response

Telenor has a geopolitical strategy with risk mitigations updated in all Telenor companies. This strategy is based on the data classification considering regulatory requirements and the high level of trust to consumer, business and partners.

Defendable Architecture based on industry recognised standards has been established.

Telenor is generally promoting open systems which leverage industry initiatives like Open RAN, cloud-native mobile core, and Open Digital Architecture in order to support flexibility for engagements with suppliers from different countries.

Building a global and strong relationship with partners helps secure a holistic governance across Telenor and avoids diversified supplier landscape and regulator dialogue.

¹ On 14 December 2023, Telenor announced the sale of its Pakistan telco operations, see also the business area chapter of this report.



Currency risk

Risk factors

Currency risk arises when Telenor or any of its subsidiaries has debt, hold investments, hold monetary items or enter into other transactions in foreign currencies.

A significant share of Telenor's revenues is derived from operations with a functional currency other than the Norwegian krone.

Potential impacts

Foreign exchange losses can arise on contracts in other currencies than functional currencies.

Currency fluctuations affect the value of revenues from and investments in foreign operations when translating financial statements into Norwegian kroner.

Risk mitigation/response

Telenor enters into debt instruments in relevant currencies to maintain net investment hedges based on market value of investments and market capabilities.

The most significant debt currencies for Telenor are euros, Swedish krona, Norwegian Krone and US dollars.

See more information in [Note 31](#) Capital and financial risk management in the Financial statements.

Interest rate risk

Risk factors

Telenor is exposed to fluctuations in interest rates through funding and liquidity management activities.

Potential impacts

This can lead to higher interest rate expenses.

Risk mitigation/response

The interest rate risk is managed using both fixed and floating rate debt, often through interest rate derivatives. The Group Finance policy states that the portion of the fixed rate shall be between 30 per cent to 70 per cent of external debt. The portion of fixed rate of Group's debt was 69 per cent as of 31 December 2023.

See more information in [Note 30](#) Interest-bearing liabilities and [Note 31](#) Capital and financial risk management in the Financial statements.

Credit risk

Risk factors

Telenor's exposure to credit risk mainly relates to trade receivables, deposits with financial institutions and financial derivatives. Credit risk related to trade receivables is assessed to be limited due to the high number of customers in the Group's customer base.

Potential impacts

This can lead to financial loss due to counterparty default.

Risk mitigation/response

Credit risk arising from financial derivatives and cash deposits is managed through diversification, internal risk assessment and credit scoring, as well as credit risk mitigation tools.

Exposures are diversified and monitored against maximum limits for financial counterparties.

Liquidity risk

Risk factors

Liquidity risk is low and financial flexibility is maintained through a diversified set of funding sources. Telenor is committed to maintain financial flexibility and to minimise liquidity risk.

Potential impacts

This could lead to the company not being able to fulfil its financial obligations.

Risk mitigation/response

Telenor ensures access to a diversified set of funding sources, including committed and uncommitted sources of funding. Debt maturities are spread out in time, and Telenor maintains short-term and long-term liquidity forecasts. According to the Group Finance Policy, Telenor shall have sufficient sources of liquidity to cover expected operational liquidity needs for the next 12 months. Telenor maintains a solid balance sheet with a net debt EBITDA target of 1.8x – 2.3x. and has strong credit ratings.

See more information in [Note 31](#) Capital and financial risk management in the Financial statements.

Sustainability statements

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General information

Telenor is committed to advancing the digital world, making it greener, safer, and accessible for all. In 2023, we took several steps towards delivering on our science-based climate targets, while advancing our agenda on diversity and digital inclusion, and reinforcing our position as a trusted partner on securing infrastructure and systems for our employees, customers and partners. Significant efforts were made to further strengthen responsible business conduct across all Telenor companies, with a focus on privacy and data protection, health and safety, supply chain sustainability and human rights. In addition, steps were taken to ready the company for the new sustainability reporting requirements stipulated by the EU's Corporate Sustainability Reporting Directive (CSRD) and associated European Sustainability Reporting standards (ESRS).

Sustainability as part of the strategy

How sustainability adds value

Telenor's sustainability ambitions build on the company's purpose to empower societies and connect people to what matters most, recognising the importance of connectivity to modern societies. With almost half the world's population still lacking internet access, digital inclusion remains a key enabler to reducing inequalities and ensuring social inclusion, also of historically marginalised groups in society. In addition to the issue of network coverage, the lack of digital skills and literacy remain a key barrier which needs to be addressed systematically and over time.

In the same stride, the EU and the UN Environmental Programmes identify digitisation as a key enabler of the transition towards a greener society. Technologies such as AI and 5G are seen as critical to accelerate and maximise the impact of environmental and climate measures. Meanwhile, new technologies are to be developed with sustainability considerations in mind, ensuring that technological advancements prioritise ethical considerations and environmental sustainability throughout their lifecycle.

As societies' dependency on connectivity increases, so does the need to maintain a network infrastructure with a high level of resilience against a growing number of cyber security threats. With the foremost task of protecting the customers' data, Telenor is continuously implementing security capabilities to prevent and reduce the effect of a

range of threats, including the ability to swiftly detect and respond to unwanted activities.

Factoring in these material developments and increasing expectations from a wide set of stakeholders, Telenor's sustainability ambitions are centred around advancing the digital world and making it greener, safer and more accessible for all. In doing so, Telenor brings benefits to its customers, unlocks new business opportunities and creates long-term value for its shareholders and society at large.

Telenor also acknowledges its role in raising the standards for responsible business wherever it operates, while striving to integrate sustainability aspects into the company's risk management process and business strategy. In 2023, the company took steps to further highlight the correlation between financial- and ESG targets for each business area, while addressing sustainability opportunities as drivers to reach the company's strategic ambitions. In addition to setting high ambitions for how the company's services should drive positive impact with focus on climate, digital skills and security, Telenor strives for continuous improvement in core areas of responsible business such as Human Rights, Diversity, Equity and Inclusion, Health and Safety, People Security and Wellbeing, Responsible Supply Chain, Anti-Corruption, Privacy and Data Protection and Cyber Security. Telenor has a long track record of navigating complex business environments with the help of robust principles and processes and retains focus on building new partnerships based on solid governance founded in international best practice.



The UN Sustainable Development Goals

Telenor continues to develop its services, operations and targets in line with the UN Sustainable Development Goals (SDGs). The company has identified five SDGs where it sees that it can have the greatest impact. The core of Telenor's business is to ensure access to sustainable, innovative, and resilient infrastructure (SDG 9 and SDG 13). Through its services and programmes, the company is committed to empowering societies by reducing inequalities (SDG10), empowering women and girls (SDG5), and helping enable quality education (SDG4). The goals are reflected in the company's materiality and stakeholder analysis.

Readiness for CSRD

Stakeholder expectations relating to sustainable business practices and disclosures are constantly developing. A significant step change is expected in 2024 with the implementation of the EU's Corporate Sustainability Reporting Directive (CSRD) and associated European Sustainability Reporting standards (ESRS).

In 2023, Telenor established a CSRD implementation project to ensure readiness to adopt the new requirements. As part of the project, the company performed a gap analysis of its material areas as identified in the [double materiality analysis](#) towards the requirements in the ESRS. Identified gaps were then prioritised and responsibilities allocated to relevant functions. In 2024, the company will focus on closing prioritised gaps and implementing processes to accommodate new requirements that are not covered by existing processes.

EY has carried out an independent review of the Sustainability Statements 2023 as well as the material sustainability aspects in reporting on GRI indicators. This review was undertaken in accordance with the International Standards on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other Than Audits or Reviews of Historical financial information. The [report from EY](#) can be found on page 117.



Sustainability governance

The sustainability policies

Sustainability is an integral part of Telenor's governance framework, providing accountability and enabling the company to plan, implement and monitor progress on sustainability activities. The Sustainability Policy stipulates that Telenor Companies operate responsibly and in accordance with all relevant requirements and commitments. This is done by ensuring that:

- Human rights are respected, and steps are taken to prevent, and not be complicit in, any human rights abuses relating to Telenor's activities, in accordance with the UN Guiding Principles on Business and Human Rights and other international standards such as the OECD Guidelines for Multinational Enterprises, the UN Global Compact and the Global Network Initiative Principles;
- Negative environmental impacts are minimised, and GHG emissions are reduced in line with science-based targets validated by SBTi;

- Continuous and meaningful contributions are made towards the achievement of the UN Sustainable Development Goals;
- Sustainability Reporting is undertaken in accordance with requirements applicable to Telenor;
- Critical infrastructure is increasingly made resilient to climate change and extreme weather events;
- Marginalised groups are not left behind in the digital shift.

In addition, Telenor has the following policies related to sustainability:

- The Code of Conduct sets out how Telenor operates as a responsible company by addressing how transparency, accountability and integrity are embedded in all work.
- The Supplier Conduct Principles
- The anti-corruption policy
- Privacy policy
- Business partner management policy
- Security policy
- People policy
- Health, safety and people security policy



The role of management and the Board

Board of Directors' role

The Board has established clear objectives and strategic ambitions for Telenor's sustainability work. RAC (The Risk and Audit Committee) is a preparatory committee that supports the Board on responsibilities within financial and sustainability reporting, including relevant internal controls. The Board receives regular updates on sustainability matters and monitors the performance of the company. The Board is also responsible for approving significant targets and ambitions within sustainability, such as the transition plan to reduce greenhouse gas (GHG) emissions that was approved in 2023.

Previously, the Board had delegated the responsibility to supervise sustainability matters and the Sustainability Statement to the Sustainability and Compliance Committee (SCC). In order to prepare for the legislative changes coming from the CSRD, the supervisory role of sustainability reporting including relevant internal controls was transferred to RAC in 2023. In line with the Board's intent to have an integrated view on financial and sustainability ambitions, the Board decided to oversee the management of sustainability matters to a larger extent in the full Board. As a consequence, the SCC was dissolved.

Management's role

The Group Leadership Team (GLT) ensures that Telenor's commitment to high standards of business conduct is firmly anchored in the company culture and endorsed at all levels in the organisation by setting a clear tone from the top across all four business areas. The members of the GLT regularly discuss Telenor's Responsible Business agenda, including compliance, anti-corruption, privacy and data protection. The GLT monitors the governance, target setting and performance of sustainability related matters.

Responsibility for sustainability

The sustainability work in Telenor is organised in the "People, Sustainability and External Relations (PSER)" department, headed by the Executive Vice President of PSER, who is responsible for the management of sustainability matters. This responsibility includes the development of the overall governance framework, target setting, ambitions and strategy related to sustainability. It also includes identifying initiatives and managing, monitoring and reporting on performance to management

and the Board. The department is also responsible for the Code of Conduct and Supplier Conduct Principles. The CFO is responsible for external financial reporting and internal controls related to the financial reporting. As of 2024, this will also include the Sustainability Statement in the Annual Report.

Sustainability-related KPIs in the incentive plan

Ambitions and target-setting

The ability to measure how Telenor impacts society and environment, and how external factors impact the company's enterprise value, is key to target setting. Targets for Telenor Group are defined annually by the Board. The targets reflect Telenor's strategic objectives and key priorities and are informed by the materiality assessment process. Telenor develops a broad set of financial and sustainability indicators that facilitate a forward-looking performance dialogue. Follow-up and performance of sustainability-related targets are monitored on an ongoing basis together with the reporting of financial results.

Sustainability-related KPIs in the short-term incentive plan

The Board approved the following two ESG-related Key Performance Indicators (KPIs) in the 2023 short-term incentive plan for the GLT:

- A climate-related KPI linked to progress towards Telenor's scope 3 target of ensuring that 68% of suppliers by spend have set science-based targets for their own activities within 2025¹. This is one of Telenor's climate goals and approved by the Science Based Targets Initiative (SBTi). The target for 2023 was to achieve 45%, compared to actual achievement of 51%. Hence, the target for 2023 was met.
- The "Engagement and Enablement" index (EEI) is a KPI to measure employee satisfaction, including measures that drive workforce effectiveness and business performance across all teams and markets and serves as a foundation for systematic work on organisational development and improvement. In 2023, the EEI landed on 60%, compared to 59% in 2022. Overall, this is 6 percentage points above the general industry benchmark. The target to improve EEI in 2023 was met.

For 2024, the Board has renewed ambition levels in the incentive plan with the same KPIs.

¹ The target for the 2023 STI scorecard was set at 68%. This target was revised due to deconsolidation of Digi and dtac as well as the exit from Myanmar. The revised target of 66% was validated by SBTi in January 2024 and is the target used within this report.



Stakeholders and material topics

Stakeholder engagement work

Active stakeholder engagement is essential to building trust and a key element in strategic decision-making. Telenor continuously seeks to engage with the stakeholders with the

aim of maintaining an open and transparent dialogue as an owner and business partner. The company's main stakeholders include employees, customers, investors, policy makers, communities, media, suppliers, industry peers, civil society and civil society organisations (CSOs). The communication and feedback from stakeholders play an integral part in the materiality assessment process.

Stakeholder group	Expectations in 2023	How Telenor engages
Employees	Occupational health, safety and wellbeing Diversity and equal opportunities Development and career opportunities Climate and environment action Position on social issues Freedom of association	Townhalls Strategy updates Departmental meetings Employee engagement surveys Trainings Internal channels incl. digital platforms/Workplace Board of Directors representations People dialogue Engagement with labour unions Workshops with teams
Investors	Responsible sourcing Human Rights Digital Access Anti-bribery and corruption Transparency on how Telenor delivers value to its stakeholders Climate and environment action ESG reporting and transparency Information about employee benefits and wellbeing	Capital Market's Day Quarterly presentations Annual General Meeting Investor roadshows Analyst meeting with key owners/investors Human Rights due diligence Increased and more detailed ESG reporting ESG targets Improvements in transparency and efficiency Bilateral dialogue around ESG performance
Customers	People's online safety Digital access and inclusion Climate and environment action E-waste / products sustainability Data privacy and security Responsible sourcing Position on social issues	Net Promoter Score (NPS) Managing customer privacy risks Customer satisfaction surveys Call centres Industry forums Customer-focused circular economy initiatives
Civil Society and multi-stakeholder organisations	Human Rights and Digital Rights Ethics Transparency Climate and environment action Freedom of Expression Data protection and privacy Digital Access Diversity, Equity and inclusion	Open dialogue and partnerships with local civil society organisations Participation in closed and public , Non Governmental Organisations (NGOs), and multi-stakeholder fora's such as: <ul style="list-style-type: none"> - United Nations Global Compact (UNGC) - Confederation of Norwegian Enterprise (NHO) - Child Labour Platform (CLP) - UNI Global Union - Global Network Initiative (GNI) - Norwegian National Contact Point (NCP) for the OECD Guidelines for Multinational Enterprises - International Labour Organization (ILO) Norway - SHE Conference



Stakeholder group	Expectations in 2023	How Telenor engages
Policy makers/Governments	Digital Access for all Data protection and privacy Climate and environment action Responsible sourcing Health and well-being Diversity Artificial Intelligence ethics ESG reporting and transparency Network availability Network performance	Participation in consultations and public forums Engagement through industry consultative bodies and associations Participation in analysis and studies Social events and conferences Partnering on key areas (incl. Digital skills and Climate and Environment) Engagements via: <ul style="list-style-type: none"> - European Union - World Economic Forum - Nordic Business Forum - International Monetary Fund - World Bank
General public/Communities	Transparency Digital Access Digital rights/inclusion Climate and environment action	Press releases and social media Interviews with the CEO and key executives Close dialogues Being transparent on recent operational and strategic developments, new products and services, etc Surveys
Partners and industry peers	Transparency Future needs and requirements Climate and environment action Diversity, Equity and inclusion Health, safety and security Data protection and privacy Partnerships on key areas Human Rights	Memberships in associations: <ul style="list-style-type: none"> - Nordic Business Forum - GSMA (Global Mobile Operators' Association) - ETNO (European Telecommunications Network Operators' Association) - Joint Alliance for CSR (JAC) - TM forum (Board member) Global sustainability partners: <ul style="list-style-type: none"> - UNICEF - Plan International - CISCO Due-diligence process Bilateral dialogues Partnerships / Strategic collaborations Best practice sharing Following up on audits and inspections Supplier Conduct Principles Many more areas within climate/sustainability (Skift Norway, Nordic CEOs for a Sustainable future, WEF Alliance of CEO Climate Leaders)



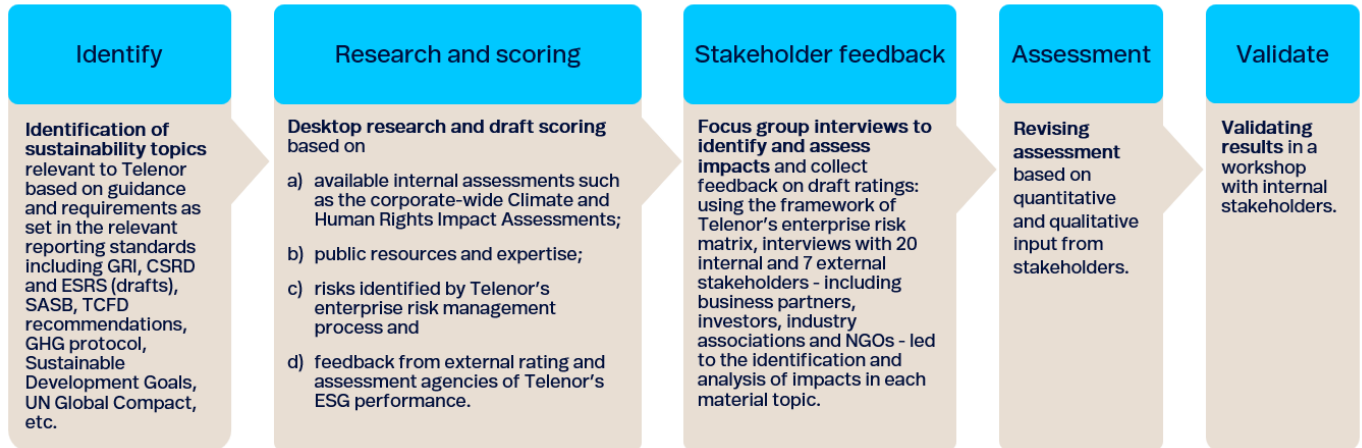
Double materiality assessment

In 2023, Telenor performed a double materiality assessment, in line with the Global Reporting Initiative (GRI) 2021 and using guidance by the draft European Union's Corporate Sustainability Reporting Directive (CSRD).

The scope of the assessment was a corporate-wide qualitative assessment and a high-level strategic prioritisation of potentially material topics. Risks, opportunities and impacts were identified in the value chain, in direct operations and in relation to suppliers and business partners.

The company's double materiality assessment process consists of five main steps, shown below.

When assessing the threshold for materiality, expert judgement as well as quantitative precision relative to other impacts was applied. Criteria for assessment, ranking and subsequently setting the threshold, included: i) scale, scope and remediability when assessing the impact materiality on society and environment, and ii) severity and likelihood leveraging Telenor's Enterprise Risk Matrix when assessing financial materiality.





Material topics

Through the double materiality assessment, a set of topics were identified and categorised into three areas: Environmental, Social and Governance. The topics were then classified as "material" or "non-material" based on significance of impact to society, environment and risks and opportunities to company value, as well as link to the company's strategic objectives. The list of material topics is shown below.

By embedding the material topics in the strategy and risk management processes, the company aims to ensure that risks, opportunities and impacts are understood, measured, prioritised, and mitigated. Telenor maps material topics against existing policies and measures them through corresponding performance indicators.

Materiality is dynamic and continuously evolves. An example is that what is immaterial to a company in the short-term may become material in the medium- or long-term. The company intends to update the double materiality assessment on a yearly basis and undertake a full-scale double materiality assessment every two to three years in line with recommended practice and guidance from the EU. Telenor will perform an updated double materiality assessment in 2024 according to the latest methodology guidance from the EU. Focus will be on ensuring that the entire value chain perspective is considered (upstream and downstream), that short, mid, and long-term horizons are considered in all assessments, that a detailed stakeholder analysis is performed to ensure the assessment is aligned with strategy and long-term value creation, and on interdependencies between financial and impact materiality.

E	S	G
Climate adaptation	Forced, child and underaged labour	Responsible supply chain
Climate mitigation and energy use	Employee development	Data protection
(e-)Waste and circularity	Diversity, equity and inclusion	Freedom of expression and privacy
Biodiversity	Occupational health and safety	Cyber security
	Digital skills, inclusion and online safety	Ethical business and anti-corruption
	Responsible product use	

How material topics are presented in this report

The material topics constitute the main content of these Sustainability Statements. The topics are grouped under *Environmental, Social and Governance*. The beginning of each material topic section outlines the risks, opportunities and impacts (positive and negative). Reported information for each material topic includes Telenor's approach to the topic, policies and commitments, ambition, target(s) and performance from 2023, as well as plans to reach ambitions and targets.

The impacts, risks and opportunities related to *Responsible Product Use* have been reported as part of the *Occupational health, and safety* and *Digital Skills, inclusion and online safety* sections.

The topic of *Freedom of expression* has been addressed as part of the *Transparency Act reporting section*, which also addresses Telenor's general approach to Human Rights. *Privacy* is reported along with Data protection.

In addition, there are two areas that have been deemed as relevant topics to address within the sustainability statements: *Integrity Hotline* and *Responsible tax practice*. Integrity Hotline is covered within the Social section, while Responsible tax practices is covered at the end of the Governance section.



Basis for preparation

Reference to legal requirements and frameworks

These Sustainability Statements cover material areas as determined in the double materiality assessment. The Statements are published in accordance with reporting requirements mandated by the Norwegian Accounting Act §3-3c, the EU Non-Financial Reporting Directive (EU NFRD 2014/95), the Norwegian Transparency Law and in

accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023. Telenor's GRI Content Index can be found [here](#). Telenor fully supports the UN Global Compact Principles in the areas of Human Rights, Labour, Environment and Anti-corruption and the Sustainability Statements 2023 constitute the company's communication on progress to the United Nations Global Compact.

The sustainability work in Telenor is guided by the following standards and guidelines:

Key standards and frameworks followed

Area	Standard or framework
Climate and Environment	Science Based Targets initiative (SBTi) ISO14001 Greenhouse Gas Protocol (GHG Protocol) Task Force on Climate-Related Financial Disclosures (TCFD)
Human Rights	United Nations (UN) guiding principles on business and Human Rights Norwegian Transparency Law Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work
Diversity, Equity and Inclusion	UN Women Empowerment Principles UN standards of business for lesbian, gay, bi, trans and intersex (LGBTI) rights Norwegian Gender Equality Reporting Requirement
Health, Safety, People Security and Wellbeing	ISO 45001 ILO Declaration on Fundamental Principles and Rights at Work Norwegian Working Environment act §5-1
Responsible Supply Chain	SA 8000 ILO Declaration on Fundamental Principles and Rights at Work Norwegian Transparency Act
Anti-corruption	United Kingdom Bribery Act (UKBR) Foreign Corrupt Practices Act (FCPA) Norwegian law (Civil Penal Code Sections 276a-c) ISO 37001 OECD Anti-Corruption Guidelines
Privacy and Data Protection	General Data Protection Regulation (GDPR) OECD Guidelines The Law Enforcement Data Protection (LEPD) Directive The ePrivacy Directive (2002/58/EC)
Cyber Security	ISO 27001 National Institute of Standards and Technology Standard of Good Practice for Information Security

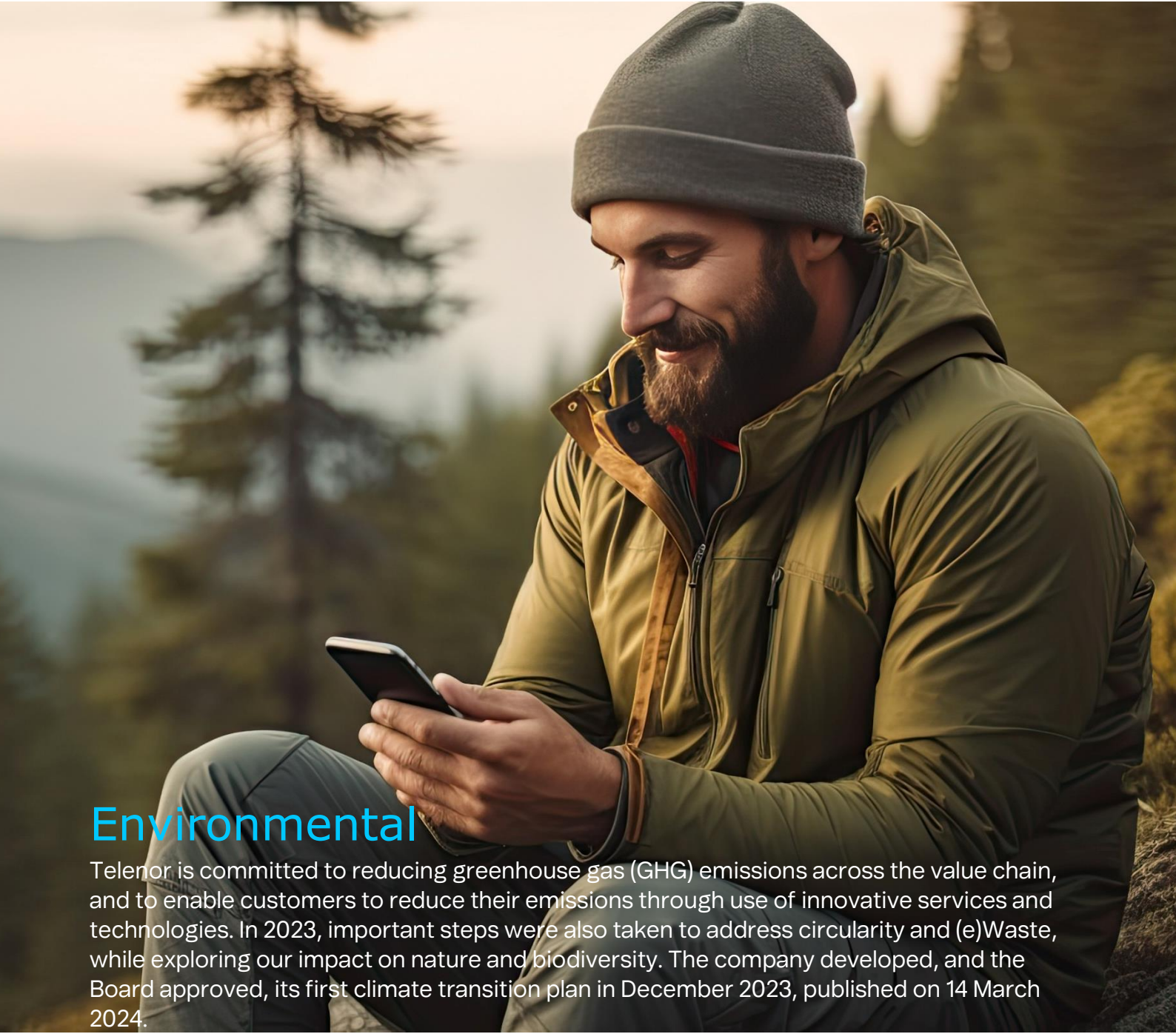
Additional sustainability reporting can be found on [Telenor.com](#), including:

- Sustainability Accounting Standards Board (SASB) report
- Climate Transition Plan
- CDP report
- Climate Risk Report in line with recommendations from the Task Force on Climate-related Financial Disclosures (TCFD)
- Global Reporting Initiative (GRI) report
- The Authority Requests report
- Equality and Gender Pay Report
- Executive Compensation Report
- Transparency Act Report (as part of this Annual Report)

Reporting boundaries

This report includes disclosures and data from companies under the operational control of Telenor ASA. Data from Telenor Companies where Telenor is a majority owner is included. Unless otherwise stated, data from Digi is included in figures up until end of Q3 2022 and data from dtac is included up until year end 2022.

- Data and numbers from companies that are sold and presented as discontinued operations are excluded.
- Climate and environment data excludes data from Digi and dtac.
- Diversity and inclusion data excludes data from Digi for 2022.
- Associated companies (usually above 20 and below 50% ownership):
 - Scope 1,2 and 3 greenhouse gas (GHG) emissions for associated companies are included as scope 3 category 15 emissions according to ownership share.
 - The other KPIs do generally not include associated companies.
- The supply chain is included as follows:
 - Data and numbers in the Responsible supply chain section are reported for direct suppliers and lower tiers on a risk-based approach; fatalities are also reported for third parties e.g. public.
 - GHG emissions are included in scope 3 according to spend without exceptions.
- End-customer data is generally not included except data about active data users.



Environmental

Telenor is committed to reducing greenhouse gas (GHG) emissions across the value chain, and to enable customers to reduce their emissions through use of innovative services and technologies. In 2023, important steps were also taken to address circularity and (e)Waste, while exploring our impact on nature and biodiversity. The company developed, and the Board approved, its first climate transition plan in December 2023, published on 14 March 2024.

Climate priorities

Reducing greenhouse gas emissions and waste are at the core of Telenor's commitment to responsible business and in alignment with the company's Code of Conduct. Activities follow a three-pronged approach, including:

- Cleaning up the company's own operations by reducing greenhouse gas emissions and improving environmental performance.
- Raising environmental standards across the supply chain by lowering the GHG emissions of suppliers.
- Enabling others to reduce their emissions through use of innovative services and technologies.

The company has set near-term science-based targets and submitted a net-zero target for validation by the Science Based Target initiative to reach a 90% emission reduction across all scopes by 2045. Furthermore, the company has published a [Climate Transition Plan](#), approved by the Board, outlining the efforts aimed at reaching the stipulated targets.



Climate change

Climate Mitigation and Energy Use: In order to reduce Telenor's impact on climate change, the company must first and foremost reduce its own emissions. There are two main ways to achieve this, the first is to limit growth of energy consumption by way of energy efficiency. The second, and most important, is to phase in renewable energy. In order to meet our net-zero target, in practice, all of the company's energy consumption must come from renewable sources.

Climate Adaptation: Preparing for and managing the physical risks of climate change, such as more frequent extreme weather events, flooding, change of water levels, drought, and rising temperatures – will become increasingly important to safeguard Telenor's infrastructure. Telenor is therefore taking steps to adapt to future impacts of climate change across its value chain. This effort encompasses operations, supply chains, distribution, communities, and employees. It also involves work to ensure inclusive access to Telenor's products and services and key inputs such as access to energy. Preparing for and managing the transition risks, such as those related to policy, legal, technology, and market changes is becoming increasingly important.

Risks

General inflation as a result of increase in price of carbon and GHG emissions

Reduced availability of renewable grid electricity due to undersupply, high demand and high price premium

Physical risks from global warming and more extreme weather events may cause power outages, damages to networks and buildings, reduced network availability and threaten business continuity.

Opportunities

Increased demand for development of new services to enable mitigation/adaptation

Increased demand for high network resilience as basis for mission- and society critical digital services

Evaluation by investors, prospective and current employees, and other key stakeholders, as a climate resilient and prepared company

Use of more efficient production and distribution processes

Negative impacts

Greenhouse gas emissions across all three scopes

Positive impacts

Helping third party stakeholders such as customers to reduce their own emissions, by way of connectivity. Digitalisation serves as a powerful tool to expedite the shift toward a net-zero, circular, and resilient economy. By offering connectivity with minimal climate impact, Telenor can actively contribute to supporting both the digital and climate transition.

Increased resilience against climate events by removing single points of failure also increases resilience against other events, like fibre cuts due to construction

For further detail on risks and opportunities, see the TCFD report on [Telenor.com](https://www.telenor.com).

The broader perspective

Leading global institutions such as the United Nations (UN) and the World Economic Forum (WEF) describe climate change as one of the biggest risks currently facing humanity. To avoid potential catastrophic effects, the global temperature increase must be limited to 1.5°C compared to pre-industrial levels. At the time of writing, the world is on track to a 2.8°C warming scenario with average temperatures reaching new record levels.

Being a provider of critical services to the societies in which Telenor operates, adapting its infrastructure to extreme weather and the consequences thereof is becoming

increasingly important. Networks require significant investments in assets with long lifetimes and payback cycles. Chronic risks like sea level rise may impact the value of the assets adversely over time due to population displacement or inability to carry out repairs and restore services due to land loss.

Meanwhile, telecommunication services also contribute positively in terms of helping companies and individuals reduce emissions. Due to Telenor's position and size, the company also recognises its responsibility to engage business partners and supply chain to adopt more sustainable measures over time.



Telenor's approach

Telenor's [transition plan](#) outlines the principles and plans for reaching the company's climate targets, including both climate mitigation and adaptation measures to address the transition and physical risks described in Telenor's TCFD climate risk report. Climate risk is an integral part of Telenor's Enterprise Risk Management (ERM) process and is therefore systematically assessed and managed under oversight from the Board and RAC. Telenor also has a Sustainability Policy which sets out requirements for all Telenor companies with the aim to protect the environment and contribute towards climate change mitigation and adaptation.

Targeted climate mitigation actions will systematically reduce both operational and supply chain emissions across scopes 1,2 and 3¹ and contribute towards the achievement of Telenor's science-based target of net-zero emissions by 2045. The near-term science-based targets reflect Telenor's main sources for emissions: for scope 1 and 2 most emissions come from electricity consumption in the networks. Within scope 3 most emissions come from the upstream supply chain in addition to the investments in Thailand and Malaysia. The main mitigation actions in the transition plan therefore include replacing fossil fuels with renewable energy, consuming only renewable electricity from the grid and ensuring that the company's supply chain and investments consists of companies that reduce their

emissions according to the targets stipulated by the Paris Agreement.

As climate change is expected to accelerate over several decades, Telenor will adapt its operations to mitigate both acute and chronic climate-related physical risks, but also offer new services to societies that will become even more digitalised and dependent on resilient connectivity services. For telecommunication networks, resilience depends on a design with a minimum of sources for single-points of failure, as well as an operational setup that limits restore-and repair-times in case of damage or outages. Connectivity services are expected to remain operational also during electricity grid outages. To maintain service availability, resilience planning and construction of networks will change to withstand the physical consequences of the changing climate. Factors that will be affected include the robustness and location of towers, radio and core network equipment, flood protection of data centres, longer-lasting backup power sources and prioritisation of critical services during emergencies. Additional redundancy and failover solutions will be required to further limit single points of failure.

Scenario Assessment

Telenor has developed three distinct scenarios for climate risk assessment. The scenarios roughly correspond to public domain scenarios outlined by the IPCC, in particular the most recent 6th Assessment Report (AR6), as follows:

Telenor Scenario	AR6 ²	IPCC - Warming by 2100 (best estimate)
Strong Mitigation Scenario (SMS)	SSP1-2.6 Low	1.3-2.4°C (1.8°C)
Delayed and Disorderly Scenario (DDS)	SSP2-4.5 Intermediate	2.1-3.5°C (2.7°C)
Business as Usual Scenario (BUS)	SSP3-7.0 High	2.6-4.6°C (3.6°C)

Strong Mitigation Scenario (SMS)

According to this scenario, the world is able to regulate GHG emissions so that best-estimate global warming does not exceed 2 degrees, and net-zero CO₂ emissions are achieved in the second half of the century. The primary risk to Telenor in this scenario is transitional and comes from policy change, as goods and services, including energy, will become more expensive due to increased pricing of GHG emissions.

Delayed and Disorderly Scenario (DDS)

According to this scenario, the physical damage from climate change is more severe and the mitigation/transition becomes disorderly as the global community adapts to a changing world. The transition risks to Telenor are less severe than in above scenario (SMS), as the policy changes will happen later, and will allow the company to better prepare for the transition. However, the physical risks and adaptation impacts are expected to be more severe, especially toward the end of the stipulated time period.

¹ Scope:

The Greenhouse Gas Protocol provides the following definitions for scope 1, 2 and 3 emissions:

- Scope 1 emissions: direct emissions from owned and controlled sources, including fuel combustion, company vehicles, and fugitive emissions.
- Scope 2 emissions: indirect emissions from generation of purchased electricity, steam, heating and cooling consumed by the reporting company.
- Scope 3 emissions: all other indirect emissions that occur in a company's value chain, including purchased goods and services, business travel, employee commuting, waste disposal, use of sold products, transportation and distribution (upstream and downstream), investments, leased assets and franchises.

² SSP: Shared Socioeconomic Pathways. These are climate change scenarios of projected socioeconomic global changes up to 2100 and are used to derive greenhouse gas emissions scenarios with different climate policies.



Business as Usual Scenario (BUS)

According to this scenario, significantly less stringent policies are put into effect worldwide. GHG emissions continue to rise at current levels, while the pace and severity of global warming increase significantly. The primary risk to Telenor in this scenario stems from the accelerating severity of acute and chronic physical risks related to climate change, such as extreme weather, sea level and temperature increases, which all have increasingly severe effects in the long term. For further details regarding Scenario Assessments, see Telenor's TCFD climate risk assessment.

Ambition, targets and performance

Telenor has set near-term science-based targets and submitted long-term (net-zero) targets for validation to the Science Based Targets initiative (SBTi). These targets are consistent with the criteria to limit global temperature rise to 1.5°C.

Short term for scope 1 and 2, the company aims to reduce emissions by 64% by 2030 (95% reduction for the Nordic operations and 50% reduction for the Asia operations) using 2019 as base year. For scope 3 the company has an engagement target stating that by 2025 66% of spend should be with suppliers that have set science-based targets, and the two companies where Telenor have material investments in Thailand and Malaysia should also have set science-based targets.

Telenor targets net-zero across scopes 1,2 and 3 by 2045 (2040 for the Nordic operations). This target is currently being validated by SBTi.

Scope 1 and 2 emissions

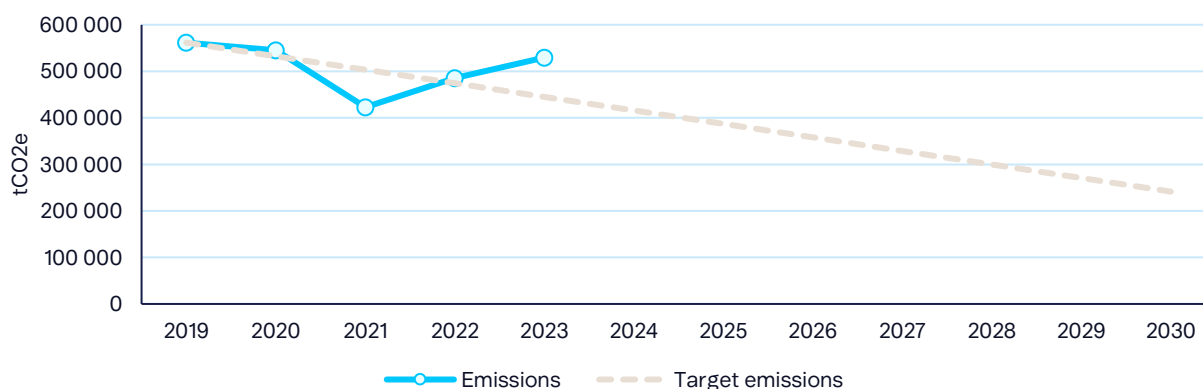
Scope 1 emissions are direct emissions stemming from the company's operations, while scope 2 emissions are indirect, stemming from the purchasing of electricity. The actual emissions and targets for these emissions are shown in the table below¹:

	Retrospective				Reduction milestones and target years			
	2019 (base year)	2022	2023	Y-o-Y %	2025	2030	2045	Annual % target/ Base year
Gross scope 1 GHG emissions (tCO₂eq)								
Total	96 005	89 269	89 950	0.8%	34%	64%	90%	6.3%
Nordic region	2 460	1 015	957	-5.7%	52%	95%	95%	61.1%
Asia region	93 545	88 254	88 993	0.8%	27%	50%	~90%	4.9%
Gross scope 2 GHG emissions (tCO₂eq)								
Location based - Total	337 443	382 316	383 261	0.2%				
Nordic region	19 049	2 530	9 797	287.2%				
Asia region	318 394	379 786	373 464	-1.7%				
Market based - Total	465 532	396 414	439 370	10.8%	34%	64%	90%	5.6%
Nordic region	147 138	16 628	65 906	296.4%	52%	95%	95%	55.2%
Asia region	318 394	379 786	373 464	-1.7%	27%	50%	~90%	-17.3%
Energy consumption (GWh)								
Total	1 762	1 845	1 918	4.0%				
Nordic region	735	701	698	-0.4%				
Asia region	1 027	1 144	1 220	6.6%				

¹ Telenor has a science-based target for scope 1 and 2 combined, and not separately for scope 1 and scope 2. The milestone and target year percentages are the same in both the scope 1 and scope 2 tables.



Telenor's historical scope 1 and 2 greenhouse gas emissions, as well as science-based target trajectory



The illustration above shows the historical (market based) GHG emissions for scope 1 and 2 as well as the trajectory for Telenor's science-based scope 1 and 2 target. For the last two years, emissions have been increasing against the target trajectory. This is driven by increased energy consumption and lack of renewable electricity sources in Asia, as well as scope 2 emission increases in the Nordics in 2023. As for lack of renewable electricity in Asia, the company is actively addressing this issue, primarily by way of proactive sourcing strategies and advocacy for access to renewable energy in markets of operation.

As is shown in the table below, the emission intensity per revenue varies significantly between the Nordics and Asia. This is due to differences in access to renewable electricity in the two regions.

Scope 1 and 2 emission intensity per revenue	2019	2022	2023
tCO ₂ e / MNOK – Total	7.31	6.32	6.58
Nordic region	2.65	0.31	1.09
Asia region	20.27	23.15	23.90
tCO ₂ e / MEUR - Total	72.05	63.90	75.17
Nordic region	26.10	3.15	12.50
Asia region	199.76	233.96	272.98

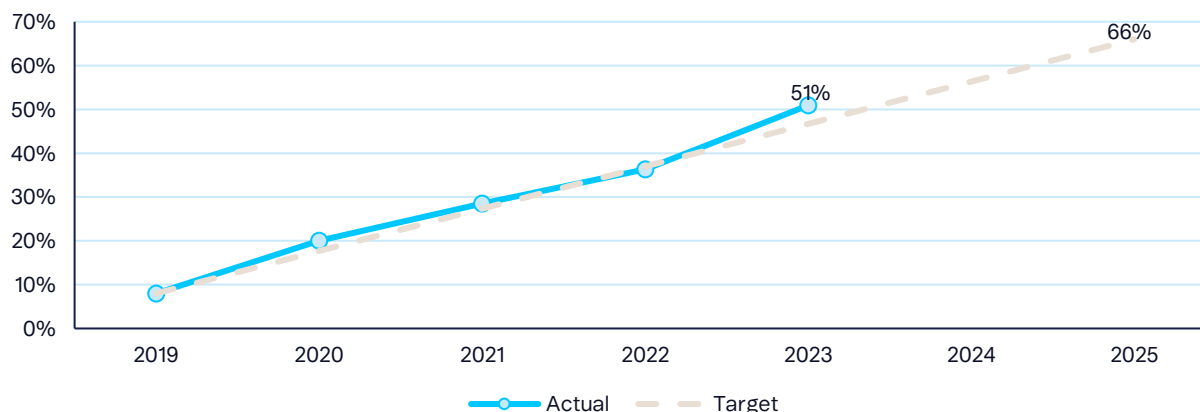
Scope 3 emissions

Scope 3 emissions (mainly supply chain) account for approximately 80% of Telenor's total emissions. As a first step to address scope 3 emissions, the company is actively engaging to encourage suppliers to set science-based targets, i.e., committing to efforts aimed at limiting global warming to 1.5°C in line with the Paris agreement. In this regard, the company has introduced a requirement on suppliers representing a certain spend or who compete for contracts above a certain value to set science-based targets. In support of this effort, the company actively engages with the supplier base through workshops and similar.

The current scope 3 near-term target stipulates ensuring that: a) at least 66% of the company's spend is with suppliers which have set science-based targets and b) associated companies True Corporation (Thailand) and CelcomDigi (Malaysia) have set science-based targets by 2025. During 2023, there was strong performance towards both targets, with over 50% of suppliers (by spend) committing to setting science-based targets.

The scope 3 GHG emissions for 2023 equalled 2,378,866 tonnes CO₂e. A breakdown by subcategory is found on the next page.

Progress towards scope 3 engagement target





	Retrospective				
	2019 (base year)	2022	2023	Y-o-Y %	Calculation method/ assumptions
Scope 3 GHG emissions					
1. Purchased goods and services	1 432 747	1 330 021	1 300 557	-2%	Secondary industry average, spend-based
2. Capital goods	799 552	510 544	462 461	-9%	Secondary industry average, spend-based
3. Fuel and energy related activities	114 666	99 435	112 111	13%	Secondary by extrapolation
4. Upstream transportation and distribution	2 540	2 055	2 302	12%	Primary based on distance driven and fuel conversion factors
5. Waste generated in operations	-	-	-	-	Primary based on weight of outbound waste
6. Business travel	4 188	1 845	1 837	0%	Primary, distance based
7. Employee commuting	18 728	15 128	14 441	-5%	Secondary by extrapolation
8. Upstream leased assets	-	-	-	-	Secondary, spend based
9. Downstream transportation and distribution	-	-	-	-	Not relevant
10. Processing of sold products	-	-	-	-	Not relevant
11. Use of sold products	92 464	82 295	80 777	-2%	Secondary, industry-average
12. End-of-life treatment of sold products	5 265	5 003	4 798	-4%	Secondary, industry-average
13. Downstream leased assets	-	-	-	-	Not relevant
14. Franchises	-	-	-	-	Not relevant
15. Investments	368 596	399 582	399 582	0%	Primary, by ownership share
Total scope 3 GHG emissions (tCO₂eq)	2 838 746	2 445 909	2 378 866	-3%	

Scope 3 emissions including associated companies in Thailand and Malaysia

Scope 3 estimation methods

Scope 3 emissions are estimated based on various methods, according to the GHG Protocol. A primary method calculates emissions based on data directly from the emission source, e.g., actual consumed carbon fuels or actual reported emissions from a company. A secondary method uses approximate calculation models based on averages and assumptions, such as average energy consumption of phones, average emission factors by industry sector or average losses in grid electricity transport networks. Scope 3 emissions in the dominant emission categories for “purchased capital goods, goods and services” are calculated by way of estimates based on supplier spend and an EEIO (Environmentally extended input-output) model. This is achieved by multiplying spend within each specific sectorial spend category by the matching sector specific emission intensity factor in the EEIO model. As Telenor ventures toward the net-zero target and a likely new absolute emission reduction target for scope 3 (to be set before the current 2025 engagement target expires), the company will increase the granularity and accuracy of scope 3 data from sector-based to supplier-specific. Steps are being taken to evaluate and implement scope 3 reporting systems that will allow for this increased accuracy.



Going forward

Scope 1 and 2

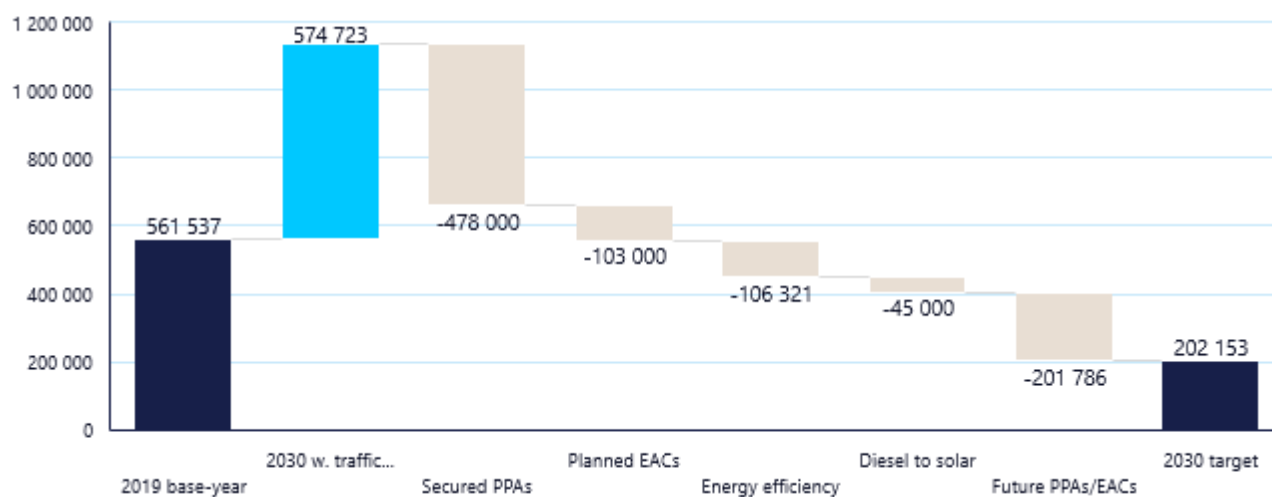
Efforts to reduce the company's scope 1 and 2 emissions will continue, factoring in expected increase in demand for mobile data services, subsequent increase in energy consumption and need to actively phase in renewable energy. The diagram below illustrates key developments in this regard.

To mitigate the expected increase in GHG emissions due to data traffic growth, Telenor is deploying various energy efficiency measures, including deployment of new technologies such as 5G and fibre and leveraging more energy efficient data centres. In parallel, legacy infrastructure including the copper network in Norway is being decommissioned, so far avoiding 10.500tCO₂eq each year. New network software allows for optimisation of energy use by switching to standby or low-capacity mode at times of less network traffic.

Further mitigating activities include increased use of renewable energy in the form of Power Purchase Agreements (PPAs) and Energy Attribute Certificates

(EACs). PPAs are contracts for purchasing large volumes of electricity over a long time period, typically ten years, from a single power plant preferably not yet built at the time of signing the agreement. EACs are documents proving that a certain amount of electricity (typically 1 MWh) comes from a named specific source, typically a renewable power plant such as a wind park or solar farm. Telenor's preferred option is to sign PPAs, as this mechanism can contribute to new capacity of renewable energy generation. The company has already signed PPAs for the operations in Norway, Denmark and Finland, with energy coming from renewable power plants not yet built (referred to as *additionality*).

To reach the 2030 target, existing PPAs will need to be complemented by purchasing of EACs. Telenor seeks to be proactive in its efforts to source renewable electricity in Asia by supporting the creation of viable markets for EACs and advocating for increased access to PPAs in markets where that mechanism is not currently available. In 2023, Telenor Pakistan and Grameenphone have brought multiple partners together to enable the procurement of 66GWh and 46GWh of renewable electricity from the grid respectively, avoiding 51,000tCO₂.



Scope 3

Efforts to reduce scope 3 emissions will be based on continuous engagement with suppliers, while preparing for new absolute emission reduction targets to replace the current engagement target by 2026. The company is currently evaluating scope 3 emission reporting systems to allow for more granular monitoring.

Safeguarding telecom infrastructure

In response to increased physical climate risks, Telenor is systematically assessing the geographical locations for placement of long-term assets like buildings and towers, considering the risks of flooding, land loss or population displacement and migration. Ongoing initiatives include the strengthening of towers to withstand strong winds and raising of tower fundamentals placement of towers in flood-prone areas. In addition, more telecom sites are being equipped with battery backup power and better cooling solutions for network and IT equipment to withstand power outages and heatwaves.



(e)Waste and circularity

(e-)Waste and circularity: Impacts on natural resources and ecosystems of Telenor's products and services. The company's (e-)waste and circularity management imply a life-cycle approach assessment at all stages of mobile phones, home devices and other connected end-user devices, as well as network equipment at base stations: design, manufacturing, packaging, sale, use and end-of-life, without depleting resources. This includes recovering and regenerating materials at the end of each service life, to realise the full business and environmental value of material inputs. This includes the quantity and type of waste and electronic waste generated, proper handling, and disposal including end of life treatment (i.e., reprocessing or reuse, recycling, incineration, landfilling). This also includes options to buy second hand network and IT equipment. The industry has also pushed for standardisation of components to support re-use and extension of life type, where standard chargers for smartphones is one example.

(e-)Waste and circularity are emerging as material topics for Telenor and the company is currently in the process of assessing and defining impacts, risks and opportunities.

The broader perspective

A circular economy is an economic system designed to minimise waste and make the most of resources. In a circular economy, products and materials are reused, repaired, refurbished, and recycled for as long as possible, aiming to keep them within the economic system and out of landfills. The concept contrasts with the traditional linear economy, where products are manufactured, used, and then disposed of. Circular economy principles promote sustainability, environmental conservation, and the reduction of resource depletion by creating a closed-loop system that prioritises circularity, longevity, and responsible resource management. Sitting between consumers, device and network equipment suppliers, and repairers/recyclers, Telenor has an opportunity to advance the circular transition.

The circular economy for Telenor involves a shift from the traditional linear model of production and consumption to a more sustainable and circular approach. In this context, Telenor aims to minimise waste and environmental impact by emphasising product design for longevity, reuse, and recycling. For Telenor, the circular economy holds significance and relevance in two primary product areas. Firstly, related to devices such as mobile phones, routers, and TV boxes, emphasising the extension of the lifespan of these devices. Secondly, related to the potential reuse, refurbishment, and recycling of equipment from base stations. To Telenor, the circular economy implies efficient use of resources, reducing the environmental footprint of telecommunications infrastructure and contributing to a more sustainable and environmentally conscious business model. Some examples include:

- Prolonging the operational lifespan of every smartphone globally by just one year could result in saving up to 21.4 million tonnes of CO₂ emissions annually by 2030, equivalent to removing over 4.7 million cars from the road.
- Circular economy initiatives also contribute to mitigating adverse health effects on the 30 million people currently facing issues related to informal e-waste recycling.
- The refurbished mobile device market is anticipated to surpass \$140 billion by 2030, a substantial increase from its \$50 billion valuation in 2020.

Telenor's approach

The growing demand for ICT products and mobile devices, and their increasingly short lifespans, has resulted in e-waste becoming a significant concern and risk for the ICT

industry. In this regard, all Telenor companies are mandated to implement sustainable waste management processes. All electronic waste is to be reused or recycled according to internationally recognised standards and regulations. To ensure continuous improvements of the local performance, an environmental management review shall be conducted at least once a year. Telenor companies are recommended to certify their environmental management system according to ISO 14001.

Telenor addresses circularity of devices primarily through take-back programmes, re-use/refurbishment and recycling. The company runs several programmes to encourage take-back of old or obsolete devices as well as use of re-used or refurbished devices. The company ensures data-wiping, inspection, repair and guarantees of re-furbished devices.

To avoid e-waste ending up in landfill, Telenor ensures the proper disposal and recycling of telecoms equipment at its' end-of-life.

Ambition, targets and performance

Telenor has joined the GSMA's initiative focused on boosting circularity for mobile devices and ratified the following targets for the Nordics:

- By 2030, the number of used mobile devices collected through operator take-back schemes amounts to 30% of the number of new mobile devices distributed directly to customers;
- By 2030, 100% of used mobile devices collected through operator take-back schemes will be repaired, reused or transferred to controlled recycling organisations.

(e)Waste and circularity		
	2022	2023
Total electronic waste recycled/reused	100%	95%
Devices returned through take back programmes	17%	12%
Recovered devices reused	74%	75%
Recovered devices recycled	26%	25%
Recovered devices landfilled	0%	0%

Going forward

Telenor will continue to develop programmes aimed at reaching the targets set for device circularity, while evaluating how to integrate circular economy targets for network equipment in collaboration with peers and the GSMA.



Biodiversity

Biodiversity: Business impacts on biodiversity of ecosystems on land and in water. This includes, but not limited to, impact on red-list species, biodiversity loss or change in distribution (reproduction or immigration) of local species, critical habitats, and protected areas.

Biodiversity is a new material topic for Telenor. The company has not yet fully assessed and defined impacts, risks and opportunities within this area, but is in the process of doing so.

The broader perspective

The world is not only facing a climate crisis, but also a crisis relating to nature and biodiversity. The Kunming-Montreal Global Biodiversity Framework, adopted during the 15th Conference of Parties to the UN Convention on Biological Diversity, requires all signatories to protect 30% of Earth's land and ocean area by 2030. The Framework mandates that ecosystems' integrity, resilience, and connectivity are preserved, improved, or restored, resulting in a significant expansion of natural ecosystems by 2050. Moreover, the framework aims to stop human-induced extinction of threatened species and to lower the extinction rate and risk of all species by a factor of ten by 2050.

For these targets to be achieved, companies like Telenor will first need to understand and detail the impact of their operations on nature and biodiversity and then implement mitigation programmes for protecting vulnerable ecosystems, while taking steps to achieve nature positivity where possible.

Telenor's approach

Based on the emerging relevance of biodiversity, Telenor is focused on collecting insights into the impact,

dependencies, risks and opportunities of nature and biodiversity for the company. In 2023, a pilot study was initiated in Finland with the objective of mapping telecom sites towards biodiversity information from various environmental institutes. If successful, the same methodology will be applied to other Telenor companies. The company is also participating in a sector-specific collaborative effort in GSMA to identify and address the common most material pressure areas for mobile operators, both within their own operations and in the upstream supply chain.

Ambition, targets and performance

The company is currently evaluating whether the recently published first version of Science Based Targets for Nature is a viable and relevant framework for setting targets for nature and biodiversity.

Going forward

The company will be evaluating the use of The Taskforce on Nature-related Financial Disclosures (TNFD) as a framework for reporting on impacts, dependencies, risks and opportunities within the field of nature and biodiversity, while assessing plausible targets relevant to the company's operations. Following the TNFD framework generally means being compliant with the European Sustainability Reporting Standard on Nature and Biodiversity, the ESRS E4.



EU taxonomy for sustainable activities

The EU taxonomy regulation is a key element of the European Green Deal to become a climate-neutral continent by 2050. The taxonomy is a classification system which provides specific criteria for economic activities to be defined as sustainable, with the aim to direct investments towards sustainable activities and projects. Activities supporting the two objectives *Climate Change Mitigation* and *Climate Change Adaptation* were adopted first, and in 2023 the remaining four objectives *Circular Economy*, *Healthy Ecosystem*, *Pollution Prevention*, and *Sustainable Use of Water and Marine Resources*, were adopted. Economic activities are eligible (covered) if they are considered relevant to achieve the objectives, and aligned if the activity is sustainable and meets the specific criteria set out in the taxonomy. To be aligned, the activity must have substantial contribution to one of the objectives, do no significant harm to the other, as well as comply with minimum safeguards. In Norway, the taxonomy regulation is effective from 2023, and requires reporting of both eligibility and alignment for the activities related to *Climate Change Mitigation* and *Climate Change Adaptation*. For the four new objectives which were adopted in 2023, only eligibility is reported.

For the telecom industry, the vast majority of telecom activities, including mobile and fixed networks are currently not addressed in the taxonomy. Related to *Climate Change Mitigation* only a few activities for the Information and Communication sector are currently covered in the EU taxonomy and hence regarded as eligible. Related to the new objectives, some of the activities related to *Circular Economy* are assessed to be relevant for Telenor. However, the taxonomy is still in development, with potential new activities as well as changes to the current activities. Telenor has identified the relevant activities supporting the *Climate Change Mitigation* and *Transition to a Circular Economy* objectives.

Climate change mitigation

As Telenor Group is part of the information and communication industry, two of the economic activities listed for the sector to support Climate Change Mitigation: "8.1 Data processing, hosting and related activities" and "8.2 Data-driven solutions for GHG emissions reductions" are assessed relevant for 2023.

8.1 Data processing, hosting and related activities

This activity is related to data centres, including edge computing. Telenor has several data centres; However, these are mainly related to internal usage for IT and network infrastructure and do not directly generate external revenue. To report alignment, the economic activity must meet the technical screening criteria which is that all relevant practices from the most recent version of the "*European Code of Conduct for Data Centre Energy Efficiency*" are implemented. For 2023 there is not any eligible external data centre revenues, while the opex and capex which are reported in 2023 relates to our operations in Asia and hence not assessed as aligned.

During 2023, Telenor together with partners announced that they will establish a joint venture that will build secure and energy-efficient data centres in the Oslo area in Norway. The ambition is to design data centres with focus on sustainable

solutions, like reusing excess heat and be a contributor to circular economy in the Oslo municipality. As these investments are part of a joint venture, it is not part of the taxonomy KPIs based on consolidated entities.

The activity "8.1 Data processing, hosting and related activities" can contribute to both the objectives *Climate Change Mitigation* and *Climate change adaptation*, to avoid double counting the activity is only reported to support the *Climate change mitigation* objective.

8.2 Data-driven solutions for GHG emissions reductions

This activity relates to information and communication technology (ICT) solutions that are enabling greenhouse gas (GHG) emissions reductions. Telenor provides solutions that enable customers to reduce their emissions, and revenues related to the following activities is evaluated as eligible: Internet of Things (IoT) solutions for automotive segment, utilities, smart cities (e.g., optimisation of energy consumption in buildings), solutions for remote meetings in the Nordics as well as the revenues in BLDNG.ai. The related capex and opex for the IoT revenues are reported as eligible. In addition to the services that generate external revenues, also data-driven technology like AI used internally to optimise energy efficiency in the networks are included as eligible capex.

Telenor has assessed the technical screening criteria and has taken a conservative approach when it comes to stating alignment for this activity. The first part of the technical screening criteria is that the products and services are *predominantly used* to reduce emissions, which is difficult for Telenor as provider of the services to demonstrate, as well as the fact that connectivity is a key objective of use of our services. In order to report capex related to data-driven solutions for energy efficiency as aligned, it needs to be purchased from a supplier that has this as a taxonomy aligned activity. For 2023 revenues, capex, and opex for this activity is not assessed aligned.

IoT solutions can enable and be relevant for other activities and objectives like "4.1 IT/OT data-driven solutions for leakage reduction" supporting the objective *Sustainable use and protection of water and marine resources* and "4.1 Provision of IT/OT data-driven solutions" supporting the objective *Transition to a circular economy*, by enable tracking through value-chains, remote monitoring etc, however in order to not double count and limit reporting on activities with insignificant amounts, IoT solutions are reported as part of activity 8.2, even if IoT solutions might enable positive effects for also other objectives.

In addition to activities 8.1 and 8.2, Telenor has assessed the following activity as relevant for climate change mitigation, as this activity contributes to own emissions reductions:

7.6 Installation, maintenance, and repair of renewable energy technologies

This activity covers installation, maintenance and repair of renewable energy technologies, on site. In Asia, Telenor Pakistan invests in solar sites in the mobile network to reduce the use of diesel generators, and capex related to these solar sites are reported as eligible. At the end of 2023 Telenor Pakistan had almost 1 800 solar sites on air.

The criteria for substantial contribution for this activity relates to installation, maintenance and repair of different types of renewable energy technologies, if it is installed on-



site as technical building systems, and the activity is assessed aligned for the installation of solar sites in the mobile network. Related to assessment of "Do no significant harm" only *Climate change adaptation* is relevant for installation of solar sites, and the physical climate risks that are material to the activity must be identified.

The activity '7.6 Installation, maintenance, and repair of renewable energy technologies' can support both Climate change mitigation and Climate change adaption. To avoid double counting the activity is reported as part of the Climate change mitigation objective.

Circular economy

For the information and communication sector one activity is defined: "4.1 Provision of IT/OT data-driven solutions contributing to circular economy". In addition, the following activities are evaluated as relevant for Telenor for 2023: "5.4 Sale of second-hand goods", and "5.5 Product-as-a-service and other circular use- and result-oriented service models". For activities supporting the circular economy objective only eligibility is reported for 2023, as the alignment assessment is not yet required and has not yet been performed.

4.1 Provision of IT/OT data-driven solutions contributing to circular economy

This activity relates to software and information/operational technology for the purpose of amongst others; remote monitoring and predictive maintenance, tracking through value chains, life-cycle assessment, eco-design, waste, green procurement, and circularity performance. Capex for software for predictive maintenance used internally in own networks have been evaluated as relevant and a small share is reported as eligible for 2023.

5.4 Sale of second-hand goods

This activity relates to sale of second-hand goods that have been used for their intended purpose by a customer. For Telenor this activity relates to sale of used mobile handsets in the Nordic business area. Potential cost related to repair, refurbishment, or remanufacturing of the mobile handsets before they are sold is included in this activity.

5.5 Product-as-a-service and other circular use- and result-oriented service models

This activity relates to providing customers access to products through service models where the product is leased or rented out to the customer and is relevant for the Nordic business area. Telenor has product-as-a-service model mainly for different types of customer premise equipment (CPE) like routers, TV-boxes and mobile handsets. The majority of the reported eligible revenue is related to routers and TV-boxes. Cost related to refurbishment of the equipment before it is rented out to a new customer, is included in this activity.

Minimum safeguards

The assessment of minimum safeguards has been done at Group level covering human rights, anti-corruption, taxation, and fair competition. Telenor follows and complies with the OECD guidelines for multinational enterprises. These topics are covered in the Code of Conduct and Group Governing Documents, as well as integrated in Telenor's enterprise risk management process.

Respect and promotion of human rights is the foundation of how Telenor conducts business across its markets and is a prerequisite for Telenor's purpose of empowering societies and connecting people to what matters most for them.

Telenor's ambitions and requirements with regards to human rights are embedded in the company's Code of Conduct, Supplier Conduct Principles and Human Rights policy, which are based on the following international instruments: the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the ILO Declaration on Fundamental Principles and Rights at Work.

Telenor's governance principles ensure that all operating entities are committed to respecting human rights in accordance with the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, UN Global Compact and the Global Network Initiative (GNI) Principles on freedom of expression and privacy. This includes assigning designated resources to ensure regular human rights due diligence across the organisation to identify and address negative potential and actual human rights impacts, as well as meaningful engagement with stakeholders. These processes align with the Norwegian Transparency Law requirements and are reported upon accordingly.

Telenor is committed to conducting business activities in a transparent manner, maintaining the highest ethical standards, and complying with applicable anti-corruption laws and regulations.

Telenor's commitment and zero tolerance for corruption is clearly stated in Telenor's Code of Conduct, which is the foundation of the company's corporate culture and sets out high standards of integrity on how Telenor does business.

The Code of Conduct and the Anti-Corruption Policy prohibit corrupt conduct in all Telenor's business operations. The company actively manages corruption risks through the Anti-Corruption Compliance Programme, which includes implementation of the internal controls across the organisation to prevent, detect and mitigate any improper conduct.

Telenor maintains a responsible tax policy and practices in line with legislation in every jurisdiction of operation. Telenor follows the terms of applicable double taxation treaties, relevant OECD guidelines in dealing with transfer pricing and establishing taxable presence. The company endorses transparency and fairness across the global tax system, exchange of financial information and concerted action to fight base erosion and profit shifting.

Adequate safeguards are in place to ensure that Telenor is committed to competing fairly and to comply with applicable competition laws and regulations through Group governing documents, including the Code of Conduct and Group Competition Compliance Policy. This policy ensures implementation of a risk-based competition compliance programme, adhering to relevant international standards to prevent, detect and remedy improper conduct, including but not limited to risk assessment, communication and training, monitoring, incident management and reporting. In addition, legal experts are involved to advice on risk in day-to-day



operations. Competition compliance is also an integral part of Telenor's annual enterprise risk management process.

During 2023, no companies in the Telenor Group or any employees have been convicted on violating competition laws.

Accounting policies

The definitions of operational expenditure (opex) and capital expenditure (capex) according to the taxonomy regulation differ from the definition of opex and capex used in Telenor Group's financial reporting. To avoid double counting of revenues, capex and opex, the relevant amount is only allocated to one economic activity supporting one objective. The reporting boundaries correspond to the financial consolidated entities.

Turnover

For Telenor, the turnover reported as part of the taxonomy corresponds to the total revenues reported as part of the consolidated financial statements and specified in [Note 3](#)

Revenues. For the specific activities, only external revenue is included.

Capex

The capex to be reported as part of the taxonomy is additions to property, plant and equipment, intangible assets and right-of-use assets during the financial year before depreciations, amortisation and impairments, but excluding fair value changes. The total capex used as denominator in the KPI calculations also includes additions to tangible and intangible assets resulting from business combinations, but excludes spectrum additions. The assets additions are specified in [Note 15](#) (Intangible assets), [Note 16](#) (Right-of-use assets) and [Note 17](#) (Property, plant and equipment) in the financial statements.

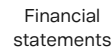
Opex

The opex to be reported as part of the taxonomy is non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures of related to the day-to-day servicing of the assets.



Turnover

	Substantial contribution criteria				DNSH criteria (Does Not Significantly Harm)								Taxonomy aligned proportion of turnover, year 2023 (18)	Taxonomy aligned proportion of turnover, year 2022 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)	
	Code(s) (2)	Absolute turnover (3) NOK million	Proportion of turnover (4)	%	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)					Water and marine resources (13)
Economic activities (1)																	
A. TAXONOMY-ELIGIBLE ACTIVITIES																	
A.1 Environmentally sustainable activities																	
Taxonomy-aligned																	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																	
Data-driven solutions for GHG emissions reductions																	
8.2	919	1.14															
5.4	220	0.27															
5.5	225	0.28															
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																	
	1 364	1.70															
Total A.1 + A.2																	
	1 364	1.70															
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																	
Turnover of Taxonomy-non-eligible activities (B)																	
	79 088	98.30															
Total (A+B)																	
	80 452	100															



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Opex

	Substantial contribution criteria			DNSH criteria (Does Not Significantly Harm)								Taxonomy-aligned proportion of opex, year 2023 (18)	Taxonomy-aligned proportion of opex, year 2022 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)		
	Absolute opex (3)	Proportion of opex (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)					Circular economy (14)	Pollution (15)
Economic activities (1)																	
A. TAXONOMY-ELIGIBLE ACTIVITIES																	
A.1 Environmentally sustainable activities																	
(Taxonomy-aligned)																	
Installation, maintenance and repair of renewable energy technologies																	
7.6	0	0.01	0.01	N/A	N/A	N/A	N/A	N/A	N/A	Y	N/A	N/A	N/A	Y	0.01	N/A	E
Opex of environmentally sustainable activities																	
(Taxonomy-aligned)(A.1)																	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																	
8.1	9	0.17													0.01		
Data processing, hosting and related activities																	
8.2	29	0.56															
reductions																	
5.4	11	0.22															
Sale of second-hand goods																	
Product-as-a-service and other circular use- and result-oriented service models																	
5.5	54	1.02															
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																	
104	1.96																
Total A.1 + A.2																	
104	1.96																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																	
Opex of Taxonomy-non-eligible activities (B)																	
5 186	98.04																
Total (A+B)																	
5 290	100																



Social

Telenor is a people company where human rights including equal opportunity, diversity, inclusion, health, safety and wellbeing are imperative for how we engage with our employees. These topics are just as important for our employees as for those carrying out work for, or on behalf of, Telenor across our supply chains. Telenor has a long history of engaging with stakeholders in the societies we serve. We are committed to driving digital inclusion as a means to enable those societies to thrive in an increasingly digital world.

High social standards matter

Telenor is committed to upholding high standards for health, safety, and security for its people, societies and business partners. The company respects labour rights principles as laid down in the UN Global Compact and the ILO Declaration on Fundamental Principles and Rights at Work. These principles relate to the right to freedom of association and collective bargaining, the elimination of forced labour, child labour and discrimination and harassment in the workplace,

and are reflected in Telenor's Code of Conduct, group-wide Policies and Supplier Conduct Principles. Attracting and retaining the best talent through learning and development opportunities as well as career prospects is fundamental to continued competitiveness and growth.

To serve the diverse societies that Telenor operates in, it is key to also have a diverse workforce, where the company can draw on different views and experiences. This belief underpins Telenor's focus on diversity, inclusion, and equitable opportunities.



The Report on the Norwegian Transparency Act (Human Rights)

For eleven consecutive years, Telenor has conducted and reported on human rights due diligence as part of its commitment to the UN Guiding Principles on Business and Human Rights. Telenor considers the process and disclosure in this section of Telenor's Annual Report 2023, together with the 'Sustainability Governance', 'Employee development', 'Diversity, equity and inclusion', 'Occupational health and safety' and 'Responsible Supply Chain' section, as well as the 'Strategy Performance and Risk' report and 'Governance Report' to meet the Norwegian Transparency Act due diligence requirements as per section 5. The Norwegian Transparency Act has been in force since 1 July 2022. The objective of the legislation is to promote corporate respect for human rights and decent working conditions in companies' operations and supply chains.

The law requires that companies:

- Perform human rights due diligence and assessments and demonstrate that policies and processes are in place to prevent human rights and worker rights violations in operations and the entire supply chain;
- Report on assessments including cases of severe risk or harmful incidents;
- Provide information upon public request on how actual and potential negative human rights impacts across operations and entire supply chains are managed.

Telenor legal entities in 2023 that exceed two of the three criteria set out by the Transparency Act include the following:

- Telenor ASA
- Telenor Norge AS
- Telenor Linx AS
- Telenor Svalbard AS
- Telenor Satellite AS
- Telenor Infra AS
- Telenor Global Shared Services AS
- Telenor Maritime AS
- Telenor Real Estate AS
- Telenor Software Lab AS
- Nordix Data AS

Some entities shall produce detailed reports which will be made available on their websites by June 30th 2024. The content in this section is subject to regular updates and revisions, with a view to continuous improvement in line with international human rights standards. In the event of significant changes to Telenor's risk assessments during the year, updates will be made on Telenor.com as per the company's usual procedure.

Structure and Governance

Telenor Group is a leading technology-driven communication services provider with presence in the Nordics and Asia. Telenor's ambition is to deliver critical connectivity and services to customers and societies, continue to strengthen our responsible business agenda and utilise the strength in our people and culture. Each of the four business areas in Telenor Group have their unique approach to value creation: profitable growth for Telenor Nordics, long term value creation and cash flow focus for

Telenor Asia, industrialisation for Telenor Infrastructure and asset-by-asset approach for Telenor Amp. Read more on [Business areas](#) in Strategy, performance and risk chapter of this report.

Respect and promotion of human rights is the foundation for how Telenor conducts business across its markets and aligned with the company's purpose of empowering societies and connecting people to what matters most. Telenor is committed to respecting and promoting human rights, the company strives to be trusted by stakeholders and undertakes on-going human rights due diligence across the organisation.

Telenor's human rights commitment is embedded in the company's Code of Conduct, Supplier Conduct Principles and Human Rights policy requirements, which are anchored in the following international instruments: the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the ILO Declaration on Fundamental Principles and Rights at Work.

The governance process ensures that all Telenor companies are committed to respecting human rights in accordance with the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the UN Global Compact and the Global Network Initiative (GNI) Principles on freedom of expression and privacy. This includes designated resources to undertake human rights due diligence across the organisation in order to identify and address any negative potential and actual human rights impacts, as well as meaningful engagement with stakeholders. Read more in the section on [Corporate governance](#).

Labour rights

Telenor respects labour rights principles as laid down in the UN Global Compact and the ILO Declaration on Fundamental Principles and Rights at Work. These principles relate to respecting the rights to freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour, the elimination of discrimination in respect of employment and occupation, and a safe and healthy working environment. These principles are reflected in Telenor's Code of Conduct, Group People Policy, and Supplier Conduct Principles. Telenor complies with applicable laws and regulations and if there are differences between such laws and regulations and the standards set out in the company's Code of Conduct, Telenor will apply the higher standard consistent with applicable local laws. Telenor continues to promote employee involvement and maintains good labour standards in the company's operations.

All workforce restructuring in Telenor shall be done with the aim of creating and sustaining long-term business value. Workforce restructuring shall be conducted in a responsible manner, through verifiable processes and in accordance with Telenor's Purpose and Behaviours¹ and applicable legal requirements and legislation. Read more on the Labour Rights and Standards pages on [Telenor.com](#). For more information on Telenor's approach and initiatives within diversity, equity and inclusion, please see the section on [Diversity, equity and inclusion](#).

¹ Telenor Behaviours are described within the [Corporate governance](#) chapter of this report.



Requests for Information under section 6 of the Act

Telenor has a transparent and open mechanism on its website to allow for information requests under the Transparency Act. More information about this can be found [here](#).

During 2023 Telenor received 48 requests for information through this channel. Most of these enquiries related to the business operation of Telenor Norway.

Internal processes on Transparency Act requirements

Below is a follow-up on the actions outlined in Sustainability report 2022 regarding recommendations to Telenor by third party sustainability experts on prioritised actions for the Transparency Act:

- Reporting and Communication: As communicated earlier, Telenor has established a process and mechanism to be able to respond to the Right to Request Information section of the Act. Telenor has set up a cross-functional task force, representing Sustainability, Legal, Communications, Compliance and Procurement from both Group and Telenor Norway to handle incoming requests and discuss emerging issues and potential human right risks, particularly in relation to Telenor's supply chain and business relationships. This set up has now been replicated at Telenor's Asia regional headquarter in Singapore.
- The rapid developments of artificial intelligence, and especially generative AI, present new challenges and risks for privacy, and Telenor has made it a key priority to develop practices that support the responsible use of AI so that the company's ambition on the protection of fundamental rights, including privacy, are met. In 2024, the company will develop practices to manage new risks introduced by the use of artificial intelligence, in particular generative AI, and to support Telenor's ambitions regarding the responsible use of artificial intelligence. See section on [Privacy and data protection](#).

Human Rights Due Diligence

All Telenor companies are required to conduct and document regular human rights due diligence to identify, address and manage human rights related risks and impacts resulting from the company's own activities and those in the value chain. This is in line with Telenor's responsibility to respect human rights, and in accordance with internal policies. Human rights due diligence is to be integrated with ongoing due diligence/risk assessment processes where possible. In the assessments and mitigation response, business units must follow the higher standard when national law and international human rights law differ. If in conflict, the company shall adhere to national law, while also seeking ways to respect international human rights to the greatest extent possible, in accordance with the UN Guiding Principles on Business and Human Rights.

During 2023, each Telenor company continued to implement mitigation actions as identified in the 2022 human rights due diligence outcome. Local due diligence and impact assessments during 2023 were summarized using Telenor's Human Rights impact assessment Tool. This was followed by risk prioritisation and drawing up a mitigation plan, which was presented to management at the relevant Telenor

companies and to Telenor Group. Telenor Asia supported the Asian companies in conducting the process.

In Telenor's Asian companies, salient risk areas identified include privacy and freedom of expression related to authority requests, working conditions including health and safety in the supply chain and forced and child labour in the supply chain. Salient risk areas identified by Telenor's Nordic companies included privacy and cybersecurity, child online safety and working conditions including environmental impacts particularly in the supply chain. For the other Norway-based Telenor subsidiaries that exceed the threshold for two of three conditions as provided in the Transparency Act, salient risk areas included: privacy and data protection and ensuring connectivity (particularly in time of conflict). This excludes Telenor Norway, which is part of Telenor's Nordic companies above.

Telenor's Human Rights Expert Forum

In early 2023, Telenor launched an Expert Forum to explore possible future dilemmas Telenor may face in respecting human rights, both at a time of change for its business, and where respect for human rights poses challenges for businesses in many parts of the world.

The forum consisted of six members with expertise in business and human rights serving in their personal capacity. The forum is facilitated and includes internal membership from Telenor employees. See more regarding scope and constitution at [Telenor.com](#).

The Forum met five times during 2023 both online and physically. A broad range of topics were discussed during these meetings. A summary of insights has been published at [Telenor.com](#) with the hope that the outcome of the work may be of benefit to the wider business and human rights community. The Forum has been successfully concluded and Telenor will continue to engage bilaterally with members of the expert forum in their official capacity in future.

As part of the sale of Telenor's Pakistan telco operations to Pakistan Telecommunications Company Ltd (PTCL), due diligence was conducted covering a broad range of topics, including human rights considerations. Telenor engaged with the buyer through a knowledge sharing session, to discuss policies, processes and tools related to human rights and human rights due diligence.

Training and capacity building relating to identified human rights risks are key to Telenor's approach to mitigation. For suppliers, on- and off-site training sessions are organised at several Telenor companies. For employees, Code of Conduct training has been completed by 100% of Telenor's employees which includes human rights considerations. Human Rights due diligence training and awareness sessions have been conducted with the Nordic business area, Norway based subsidiaries exceeding two of the three criteria set out by the Transparency Act, and the Asian business area. 81% of identified experts working with human rights and other sustainability topics have undertaken human rights training in 2023.



Other mitigation actions undertaken to address identified risks are detailed in other sections of the annual report including [Occupational health and safety](#), [Responsible supply chain](#), [Forced, child and underage labour](#), [Cyber security](#) and [Privacy and data protection](#).

Telenor's Supply Chain

Telenor has a local and global supply chain constituting close to 15,000 suppliers. Main supplier categories include networks, marketing and services, devices and equipment, information systems and IT. These engagements are made with manufacturers, contractors, consultants, service providers and others.

At the Telenor companies, supply chain governance is managed by dedicated procurement teams in each market. At the global level, Telenor Procurement Company (TPC) is responsible for establishing and managing Global Framework Agreements (GFAs) that may serve multiple markets.

Risk based due diligence in the supply chain

Telenor approaches due diligence in the supply chain through a risk-based methodology. Level of inherent risk is determined considering the nature of services provided as well as profile and geography of the supplier. Inherent risk level determines the extent of further risk assessment of the potential supplier that may vary between basic screening and the enhanced in-depth integrity due diligence. Tools, including relevant platforms and systems are made available to dedicated resources in Telenor for undertaking risk-based due diligence at pre-contract and post-contract stages accordingly. These tools encompass assessment of ESG risk dimensions covered in Telenor's Supplier Conduct principles which include human and labour rights, prohibited business practices, health and safety, environment, privacy and data security.

At the pre-contract stage, risk reviews are processed by Telenor company procurement teams for local suppliers or TPC for global suppliers, supported by subject matter experts where required. At the post contract stage, local suppliers are followed up by Telenor Supply Chain Sustainability teams in collaboration with Procurement, contract owners and subject matter experts. Inspections and audits are most effective tools in tiers beyond contracted entity. Unless otherwise stated, Telenor reserves the right to undertake unannounced inspections in the supply chain of the contracted entity. Self-assessment questionnaires can also be sent to sub-suppliers where risk picture demands such.

At the global level, where supplier tiers are located in geographies outside of Telenor's footprint, Telenor works with the Joint Alliance for CSR (JAC) to undertake audits in the industry's common supply chain. Through the JAC partnership Telenor benefits from audits conducted by 27 member companies in the lower tiers of the global supply chain.

For more information, see chapter on [Responsible supply chain](#).

Freedom of Expression and Privacy

Freedom of expression and privacy are key to the core business of Telenor. However, these rights need to be

balanced against the powers of relevant authorities as defined by law. Telenor shall respond to data access, intercept, network and content law enforcement requests in ways that respect laws and regulations, as well as international human rights standards such as UN Guiding Principles on Business and Human Rights (UNGPs) and the Global Networking Initiative (GNI) Principles.

Telenor's annual report on Authority Requests for 2023 is available at [Telenor.com](#).

Telenor's Global Network Initiative (GNI) Assessment

GNI is a multi-stakeholder initiative that brings together companies, civil society organisations, investors and academics to address freedom of expression and privacy particularly related to authority requests. As part of its commitment to human rights and stakeholder engagement, Telenor continued to engage with GNI in 2023.

As part of its membership with the GNI, Telenor has committed to implement the [GNI principles](#) and undergo regular independent assessment to assess progress on this commitment. In 2022 Telenor completed its second independent assessment, which has been published as part of the [Public Report](#) on the Fourth Cycle Independent Assessments of GNI Company Members.

Key reflections from the assessment include recognition of Telenor's efforts to engage through industry and multi-stakeholder initiatives as one of the main strengths and successes in implementing the GNI Principles. It was also noted that Telenor showed and explained work with partners to find solutions to vexing human rights quandaries. The assessor also recommended integrating Human Rights Due Diligence take-aways into relevant policies, fostering discussion on the effect of sanctions with regards to freedom of expression and privacy, and engaging on the topic of responsible business conduct and exit from conflict-affected, high-risk contexts.

Since the assessment in 2022, Telenor has taken steps to implement recommendations, including stakeholder engagement on the topic of responsible exit, and will continue to implement improvements going forward.

Stakeholder Engagement and Transparency

Telenor maintains a proactive approach to transparency and stakeholder engagement, which is important in order to manage the human right impacts identified in the materiality assessment. This is key to meet increased expectations from all stakeholders and be transparent about processes and dilemmas to the greatest extent possible. This includes information through the Sustainability statements within the Annual Report, the annual Authority Request Disclosure Report, on Telenor.com and through other sustainability updates, presentations and public arenas. As part of Telenor's commitment to transparency, the company has also reported on specific efforts related to human rights challenges in Myanmar, where Telenor had operations until completion of the sale of Telenor Myanmar in March 2022. See pages on Human rights in Myanmar on the Telenor corporate website.



In June 2023, Telenor participated in the Norwegian Coalition for Responsible Business as a panellist in a session on responsible exit in war and conflict. In July 2023, Telenor also presented its experience in a meeting arranged by the Office of the United Nations High Commissioner for Human Rights regarding responsible business in challenging contexts. Telenor engages with a number of organisations to advance its human rights objectives, including the UN Global Compact, the Global Network Initiative (GNI), the Global System for Mobile Communications Association (GSMA), and the Joint Alliance for CSR (JAC). Telenor continued its participation and engagement with JAC workstreams on human rights, focusing on salient industry issues such as living wage, forced and child labour and conflict minerals.

Outcomes of Telenor's internal learning process from the Myanmar engagement

The extraordinary situation since the military takeover in Myanmar 1 February 2021 made it impossible for Telenor to continue operations in the country, and a sale of the company was completed in March 2022. As part of its efforts to learn from the process of disengagement from Myanmar, and to share that transparently with the larger stakeholder community, Telenor published the learnings on Telenor.com in 2023 yielding valuable lessons on responsible disengagement and crisis management. These learnings broadly relate to improved crises management processes, improved stakeholder engagement and internal information flows.

Telenor has since shared these experiences and challenges in external forums and across various stakeholder groups. The establishment of a Human Rights Expert Forum was also an outcome of the learnings process. The forum explored sensitive business and human rights future dilemmas in light of the experience in Myanmar and further challenges which may occur in Telenor's markets. Further to the learnings, Telenor has revised the crisis management policy and setup in the company and has instituted human rights training. Since the assessment in 2022, Telenor has taken steps to implement recommendations, including stakeholder engagement on the topic of responsible exit, and will continue to implement improvements going forward.

OECD Norwegian National Contact (NCP)

As part of its human rights commitment, Telenor has also actively engaged with the OECD Norwegian National Contact Point (NCP) on a complaint raised in July 2021 in relation to the sale of Telenor Myanmar. For information about Telenor's initial response to the complaint, please refer to the update on the ongoing OECD complaint against Telenor on the sale of Telenor Myanmar published on Telenor.com. The formal mediation in June 2022 resulted in a preliminary Memorandum of Understanding (MoU) announced on 28 October 2022. As part of the agreed actions, an independent ICT Ecosystem Study was initiated in 2023 with the objective of enhancing the understanding of civil society about risks related to user digital footprints. For further information on the MoU, please refer to the update published on Telenor's website.

Grievance Mechanisms

Grievances are to be reported through Telenor's whistleblowing Integrity Hotline. In 2023, 6 grievances relating to human rights were reported through the hotline. For more information on the process of handling reports, see the next section on the Integrity Hotline.

Going Forward

Telenor is committed to continuous improvement and will continue to strengthen internal awareness and capacity to identify and address potential human rights risks in operations and within the value chains. The company will engage with multistakeholder platforms, partners, investors and other stakeholders.



Integrity Hotline

Telenor's whistleblowing mechanism: The Integrity Hotline

The Integrity Hotline is a confidential whistleblowing channel intended for related questions and reported concerns about potential breaches of Telenor's Code of Conduct, including relevant laws, regulations and Governing Documents. The service is accessible online to employees as well as external stakeholders and is available 24 hours a day, seven days a week. It can accommodate reports in local languages of all Telenor's markets and all queries and reports are treated confidentially and with due respect to the circumstances. The company actively encourages employees, business partners and other stakeholders to speak up through the Integrity Hotline. One of Telenor's Code of Conduct principles is to "speak up" and Telenor does not tolerate retaliation of any kind against those who speak up in good faith.

Group Internal Audit and Investigation (GIAI) is responsible for the Integrity Hotline and manages the investigations into alleged breaches of the Code of Conduct and the

preparation of reports addressing corrective actions stemming from investigations aimed at identifying and documenting internal control and process improvements. Telenor's Compliance functions are responsible for the process involving disciplinary actions and resolutions stemming from substantiated investigations. Investigations, corrective actions and disciplinary resolutions are reported bi-annually to the Board.

All incoming reports to the Integrity Hotline are assessed by GIAI. Further handling is decided based on GIAI's assessment:

- Cases with a perceived risk above a certain threshold are mandated as an investigation and managed directly by GIAI.
- Cases with a perceived risk below the threshold or are considered out scope for the Integrity Hotline are managed directly by the line organisation.

Certain cases will be concluded at pre-assessment stage as they do not require further follow-up or lack information to allow for further follow-up.

Integrity Hotline			
	2021	2022	2023
Concerns reported	550	660	453
Reported concerns classified as human rights incidents		3	6
Reported concerns submitted anonymously	41%	49%	50%
Mandated investigations initiated by GIAI based on reports received during the year	12	15	8
Investigations completed based on concerns reported during the year	5	21	5
Investigations remain open at year-end	6	2	3



Forced, child and underage labour

Forced labour: includes people's ability to freely choose employment, and their right to enjoy just and favorable working conditions and the Impacts this has on the business.

Child and underage labour: includes impacts on children's rights, work that deprives children of their childhood, their potential, and their dignity, and that is harmful to physical and mental development.

Risks

Depriving children of leisure time and education opportunities

Health and safety compromised for underprivileged, minorities and migrant groups, children and underaged working in hazardous conditions

Sanctions leading to disruption in global supply chain

Media accusations leading to eroded brand value

Litigation/complaints

Investors potentially pulling out

Costs for extraordinary case investigations, research and evaluations

Opportunities

Maintain social license to operate

Stable global supply chain

Trusted, reputable brand

Negative impacts

Underproductive workforce

Future workforce without promise

Shortages in labour supply potentially leading to systemic forced labour

Positive impacts

Healthy and mentally sound future generation

Productive labour force

Possible education opportunities for children that could break the vicious cycle of poverty that leads to forced/child labour

The broader perspective

The risk of forced labour, child labour and underage labour in hazardous working conditions is prevalent not only in the value chain of Telenor's operations but also in some markets where Telenor operates. It is important to clarify how Telenor defines these terms in light of ILO definitions in order to understand the nature and effectiveness of risk identification and mitigation actions taken.

The International Labor Organization (ILO) estimates that nearly 28 million people are trapped in forced labour globally. The organisation defines "forced labour" as *'all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself or herself voluntarily'*. At Telenor, this means any form of forced, bonded or compulsory labour, any form of slavery or human trafficking.

Some 160 million children worldwide are still being put to work, according to the ILO. Many of them are working under hazardous conditions. At Telenor, a child means any person under 15 years of age, unless national laws and regulations stipulate a higher mandatory school leaving or minimum working age, in which case the higher age shall apply. "Child labour" means *'any work by a child, unless it is considered acceptable under the ILO's Minimum Age Convention 1973'*.

At Telenor, an underage labourer working in hazardous conditions is one who is under the age of 18 performing

work that is inconsistent with such child or a person's personal development. "Hazardous work" means, but is not limited to, *'work that exposes to physical, psychological or sexual abuse, work underground, underwater, at dangerous heights, in confined spaces, work with dangerous machinery, equipment and tools, or which involves the handling or transport of heavy loads, work in an unhealthy environment (including exposure to hazardous substances, agents or processes, temperatures, noise levels or vibrations potentially damaging to health), work under particularly difficult conditions such as work for long hours or at night or where there is unreasonable confinement to the premises of the supplier'*.

More families are plunged into poverty and there are more children in child labour following the Covid pandemic with economic and social disruptions such as rise in inflation and increased cost of living. This is also true for forced labour. However, shortages in labour supply within a specific industry could lead to increase in forced labour as well. Telenor is taking a risk-based approach to forced, child and underage labour which is used to identify and mitigate the risks within its markets and in the global supply chain.

Telenor's approach

Telenor is committed to conducting business responsibly, and does not accept any form of forced, child or underage labour in hazardous working conditions in its operations or supply chain. This is embedded in the Code of Conduct and



Supplier Conduct Principles. A healthy, educated and productive workforce is key to the development of sustainable business. Telenor believes that the elimination of forced, child and underage labour in hazardous conditions will lead to a more robust labour market.

Telenor's [Supplier Conduct Principles](#) (SCP) hold the company's direct contractual suppliers accountable to required standards of responsible business. The SCPs clearly outline Telenor's position and expectations towards suppliers and what the company expects from the supply chains they operate with. Telenor strives to maintain high standards of business conduct, working conditions and environmental management internally. The same approach is expected from those with whom Telenor does business.

Telenor requires that its suppliers do not employ or use any form of forced labour, that they develop a written policy, ensure its effective implementation and establish/implement appropriate systems to ensure that such labour is not found within its operations and its supply chain. This includes ensuring that all work is voluntary and that workers are free to leave their employment upon giving reasonable notice, and that workers are not required to lodge deposits, identity papers or work permits as a condition of employment.

Further, Telenor requires that its suppliers never employ or use child labour or underaged labour in hazardous working conditions. The SCPs require the suppliers to put in place a written policy in this regard that clearly states the minimum age for workers, ensure the policy's effective implementation, establish and implement appropriate systems to ensure that the supplier shall not employ or use child labour and underage labour in hazardous conditions. If the supplier discovers that a child is employed, or that any child labour is used, by or on its behalf, or that an underaged labourer has been working in hazardous conditions, it is required to address the situation immediately, with the best interests of the child as the primary consideration.

The risk of forced, child labour and underage labour in hazardous conditions is high in the extraction of 'conflict minerals' – the raw material for manufacturing electronic equipment. This includes tungsten, tantalum, tin and gold amongst others. Telenor requires that, to the extent applicable to the supplier's operations, a written policy and procedure must be in place to avoid knowingly acquiring conflict minerals or unsustainable mined minerals produced at high environmental and social costs.

Ambition, targets and performance

The risk of forced labour is considered high in Telenor's Asian markets. This includes penalties within employment, retention of documents upon employment, withholding of wages and absence of formal contract letters. Sporadic instances of forced labour in the form of non-provision of contract letters or contract terms not being aligned with local law are also found in the Nordic footprint, primarily where migrant workers are employed.

Child and underage labour are primarily a risk in the Asian markets. Exacerbated by poverty, instances of child and underage labour could be found in lower tiers of the supply chain especially within unskilled tasks and casual labour involvement.

Within the global supply chain, forced, child and underaged labour is prevalent especially within the low labour cost geographic hotspots of electronic equipment manufacturing including in the sourcing of conflict minerals. Further information about how Telenor addresses workers in the value chain can also be found in the [Responsible supply chain](#) section.

While Telenor or its contractual suppliers have not detected any instances of child labour in the local markets consistently since 2017, and have not experienced any cases of underaged labour in hazardous working conditions in the last two years, the risk of this remains particularly due to the deteriorating economic conditions after the pandemic and due to the global geopolitical situation.

Forced, child and underage labour	2021	2022	2023
Child labour cases	0	0	0
Underage labour in hazardous conditions	7	0	0

Processes and Tools

Tools deployed at pre- and post-contract phases of engagement with suppliers in direct contractual relationship with Telenor and tools to monitor high-risk lower tiers of suppliers are covered with the section on Responsible supply chain.

There are a total of 27 questions on forced labour, child and underaged labour, conflict minerals and other working conditions leading to these risks that can be sent out to suppliers eligible for post-contract assessments.

During 2023, 302 audits conducted in Pakistan and Bangladesh identified no findings or observations related to these risks. Trained inspectors also undertake on-site inspections both announced and unannounced, where they not only observe the worksite, but also ask questions through a checklist to gauge non-conformities.

Typically, a combination of observation, age verification practices and unannounced inspections is used particularly with high-risk lower tier suppliers. Audits may reveal more detail on aspects of forced labour which may not be obvious during short time inspections.



Industry Partnerships

Telenor is a member of the Joint Alliance for CSR (JAC). For more information about JAC, see section on Responsible supply chain. JAC reports on progress with respect to factory audits of common suppliers carried out by third party audit firms on behalf of all its members in its own reporting.

There are 11 questions in the JAC common audit checklist that relate to the risk within this topic. This has been developed based on international standards such as SA8000, ILO and ISO 14001 and was recently reviewed after industry awareness of forced labour allegations in the ICT supply chain in China pertaining to Uyghur Chinese Muslims. In 2023 Telenor found no instances of child/underage labour and no instances of forced labour during 357 audits and inspections. Through the entire 9 JAC audited sites that were led by Telenor, 5 findings related to policy procedures and contracts that correspond to these areas has been raised. Corrective actions have been implemented for 60% and the rest is underway. Telenor Procurement Company

(TPC) undertakes these audits on factories of global suppliers relevant to Telenor using a risk-based approach.

Telenor has been working together with JAC workstreams on forced labour, underage and child labour and conflict minerals to establish a detailed position on these topics and to commit jointly on advancing within these areas.

Going forward

Addressing systemic issues is key to continuous improvement. This includes both behavioural changes and systemic changes at the supplier level to ensure compliance. Both these aspects require time and constant pressure.

Telenor will work together with the industry through JAC to both establish a common position on these topics and also to rally industry weight to influence global supply chain improvements.



Employee development

Employee development: Ability to attract, retain and develop talent, and provide career opportunities for employees through professional development and skills. This includes paying employees a competitive salary.

<p>Risks</p> <p>Difficulty in executing on strategy due to a workforce that does not have the skills required or is not engaged/motivated at work</p> <p>Negative customer experiences</p> <p>High employee turnover</p>	<p>Opportunities</p> <p>A workforce with high levels of motivation and retention, can strengthen the company's ability to anticipate and meet everchanging business needs and achieve its strategic and financial objectives while embracing company values</p>
<p>Negative impacts</p> <p>Headcount and cost reduction initiatives could lead to reduced staff training and leadership development.</p>	<p>Positive impacts</p> <p>Developing a diverse external and internal workforce, through developing talent among groups often considered marginalised such as women and people with disabilities</p> <p>Creating a culture that promotes wellbeing for all employees</p> <p>Positive impacts to individual livelihood through good jobs and career advancement and contribute to overall employment and advancement of employees</p> <p>Developing transferable future skills needed</p>

The broader perspective

Telenor considers employee development as a critical vehicle to foster a common culture, uphold standards, deliver on the company's strategy, strengthen retention and create engagement (motivation) and enablement (supportive work environment). Learning, development, and regular feedback sessions are available as support to employees during organisational change and business transformation. Telenor employees are actively engaging in training and competence development in technology skills, business knowledge, leadership development, personal development, and mandatory learning. During 2023, the company emphasised strengthening development plans for all employees.

Telenor's approach

Telenor is working with several external partners to deliver best-in-class training for employees. Through the Telenor Academy, employees and leaders are able to engage in classroom and hybrid learning (in-person and digital), and access online learning libraries such as Coursera, Amazon Web Services, and Microsoft. Through Coursera, employees can access job-relevant training content from more than 200 leading universities, tools to tailor content, case studies/projects in an applied learning environment, and skills-based assessments to measure progress.

Telenor provides training content in five categories:

- **Technology skills:** AI, cloud and virtualisation, 5G, cyber security, data and analytics and hyperscaler partnerships;
- **Business skills:** Customer interaction, B2B, digital marketing and partnership ecosystems;
- **Leadership:** Tight-Loose-Tight leadership methods, coaching, psychological safety and internal leadership programs for different levels of leaders;

- **Personal Development:** Storytelling, growth mindset, working with strengths and expert development programs;
- **Telenor-specific:** Code of Conduct, people dialogue and employee engagement survey (EES).

Within the mentioned categories, some courses are delivered internally while others are developed or delivered by partners. The learner has a wide range of choices, and can choose between many categories of learning, depending on what suits them and their needs the best. To support cultural change, methodology on transformation, cultural playbook and facilitation of communities is also available.

The company has accelerated learning enablement through the new learning platform Totara, strengthened the online learning library, revised training portfolio and the planned implementation of mandatory trainings, including Code of Conduct, health and safety, security and privacy.

The development planning process is integrated with the People Dialogue process (Telenor's performance management and development process) to link past performance with future development needs. This allows employees to focus on learning while having forward-looking dialogues and feedback sessions with their leaders, developing strengths, addressing improvement areas and investing in competence needed to stay relevant to future business needs.



Ambition, targets and performance

Telenor encourages employees to invest in 40 hours of learning each year and set development plans as part of the dialogue with their leaders. During 2023, the average number of hours of training (classroom and online) was 23.3, and 65% of employees had outlined development plans in dialogue with their leaders, an increase by 10 percentage points from 2022. The annual employee engagement survey indicate that 89% of employees agreed or strongly agreed to having opportunities to learn and develop new skills during 2023, at par with the result of the 2022 survey.

Going forward

Telenor will continue to invest in employee learning and development, prioritising competence development to allow employees to upskill and stay relevant to the transformative business needs.



Diversity, equity and inclusion

Diversity, equity and inclusion: This includes diversity at all levels, including the Board, management, employees and within the supply chain, to ensure the company has skills required to deliver on the global business strategy as well as ensuring that the employees represent the available workforce pool in the countries of operation (regarding gender, ethnicity and age). A commitment to a workforce and a supply chain free of discrimination involving any distinction, exclusion, or preference that has the effect of nullifying equality of treatment or opportunity, and where that consideration is based on prejudice rather than a legitimate ground. This may include equal pay for work of equal value (for example for women and racial minorities), healthcare coverage that meets the needs of diverse communities (e.g., LGBTQI+ people) and non-harassment policies.

Risks

Non-compliance with equal opportunity requirements could result in fines/judgements, damage to corporate reputation, loss of top talent and a decrease in employee retention

Poor diversity, equity and inclusion may also drive employees to demotivation and less productive work

Negative impacts

Intentional or unintentional exclusion of perspectives and groups of persons based on characteristics, as well as all form of discriminatory harassment in the workplace, or against community members, including sexual harassment

Supply chain workers may face disproportionate risks associated with workplace violence and harassment

Network restrictions may also discriminate against specific groups

Opportunities

A diverse and inclusive workplace where employees can access equal opportunity on pay equity and career advancement, creates a culture that promotes employee wellbeing

Talent attraction, development, and retention will contribute to build a strong and long-lasting employer brand

Positive impacts

Being a responsible business and pursuing gender equality can unleash a region's economic potential and reinforce its dynamic growth

The broader perspective

Telenor is a people company, and an equal opportunity employer where diversity, equity and inclusion of the company's employees is imperative to the way Telenor does business. Services and solutions are developed based on an ambition to create together, catering to a diverse group of customers and stakeholders. Telenor strives to include different perspectives in everything the company does, to always be respectful and to foster a culture of employee involvement and engagement. The Group People Policy sets out requirements to support the identification and mitigation of salient risks related to diversity and inclusion.

Telenor's approach

Telenor started working systematically with diversity and inclusion in 2015, focusing on improving gender balance in the organisation. Subsequently, efforts were expanded to also encompass age, abilities, nationalities, cultural backgrounds and under-recognised groups. Diversity of competence is addressed comprehensively in workforce planning, the learning portfolio and recruitment.

As an equal opportunity employer, equal pay is critical for Telenor to be able to attract, retain and engage talent across all markets. As a responsible business, Telenor sets high standards and implements robust and sustainable practices including transparent, objective, and fair compensation practices.

Ambition, targets and performance

For the current strategy period, the company will maintain a holistic focus on diversity and inclusion, integrated within Telenor's responsible business approach.

Diversity, equity and inclusion	2021	2022	2023
Women in the workforce	38%	38%	32%
Women senior leaders	33%	33%	34%



Fair and transparent compensation practices ensuring pay equity

Equal pay for Telenor means that employees within the same function shall, as a key principle, receive equal pay for work of equal scope and responsibility. Any pay differences for work of equal scope shall only be attributed to difference in employees' level of skills and experience relevant to the respective roles and/or individual performance. Telenor aims to secure equal pay across all functions and levels of the organisation and conducts regular analysis and action planning in all business units to understand and address any gender pay gaps.

For 2023, Telenor publishes equality and gender pay reports for six companies in Norway with more than 50 employees. In addition, in Sweden, Denmark and Finland reports are prepared and presented to the local union representatives or work councils. The Norwegian equality statements are available on [Telenor.com](https://telenor.com). Telenor considers these reports to meet the requirements of the Equality and Anti-Discrimination Act paragraph 26 and 26a. The company is preparing for reporting in accordance with CSRD in 2024, which will ensure a standardised and uniform reporting of equality and gender pay across Telenor Group.

Continued focus on gender balance in the workforce

Telenor will continue to focus on gender balance, as the group-wide gender balance stands at 32%. The drop from 2022 is due to the high share of women in the workforce in dtac, that are not included in the 2023 numbers. Telenor had 34% women senior leaders at year-end 2023, against a target of 35%. The targets for 2024 is 38% and 40% in 2025.

Advance inclusion of under-recognised groups

The Open Mind job training programme for people with disabilities is established in Norway, Sweden and Pakistan. In Norway, the programme also offers one year of job-training to immigrant minorities. Telenor is also working to create awareness and understanding of the Rainbow community (LGBTQIA+) for employees and leaders, across business areas in the Nordic geography. Further, learning

programmes with a focus on psychological safety are being implemented to enable inclusivity for all employees.

Embed diversity in learning and leadership development

To continue to train employees and leaders in diversity and inclusion, leadership development programmes and online learning content will be refreshed to ensure an improved understanding and appreciation among leaders towards diverse perspectives and an inclusive workplace.

Leverage external networks and partnerships

In each geography, Telenor companies leverage local partnerships to bring in expert insights, and there is engagement both within and outside the industry to exchange inclusive practices. As Telenor plays an active role towards these networks and collaborations, the company's position as a front-runner in diversity and inclusion is strengthened.

Going forward

Telenor will ensure continuous focus on all people related processes to enable diversity, equity and inclusion, while minimising any sources of bias. This includes initiatives such as:

- Outlining a local diversity and inclusion action plan;
- Conducting equal pay analysis (with a particular emphasis on gender);
- Securing diversity in recruitment and selection processes;
- Promoting access to diversity and inclusion learning opportunities to raise awareness;
- Supporting employee resource groups (ERGs) or internal networks which create a sense of belonging for diverse and underrepresented groups;
- Considering diversity as a selection criterion, where possible, when selecting suppliers.



Occupational health and safety

Occupational health and safety (OHS), including Wellbeing: Respect for workers' rights to life, health, and safety and minimising workers' exposure to potential health and safety hazards is at the heart of Telenor's commitment to its people. This includes impacts on physical and mental health, and wellbeing of employees.

Risks

Legal liabilities due to non-compliance with health and safety regulations

Reputational damage following violations of health and safety standards involving employees or suppliers

Potential loss of critical competencies and increased backlog of important tasks resulting from higher sick leave

Opportunities

Creating a culture of safety and awareness through training programs

A more transparent, enhanced and proactive approach to safety through encouraging an open reporting culture

Improved safety through using the SICOR¹ process which offers a systematic approach to learning from past incidents

Achieving financial and strategic objectives through maintaining healthy and safe workplace. As employees' wellbeing is related to their motivation and retention, it may impact Telenor's productivity and financial performance

Negative impacts

All work conditions that can infringe upon Telenor employees' right to health, adequate standards of living, and ultimately affect their right to life

Work related incidents could lead to severe injury including death of members of the community, employees, and contractors. This includes mental health related harm

Positive impacts

Raising standards of OHS in industry common supply chain can potentially improve OHS industry wide with positive impacts on communities

The broader perspective

A safe workplace is fundamental to sustainable and responsible business practices. The International Labor Organization (ILO) has established a set of core conventions that serve as fundamental principles to promote decent work and safeguard the rights of workers worldwide. Among these conventions, several are directly related to health and safety in the workplace. Since June 2022, the Occupational Safety and Health Convention, 1981 (No. 155) and the Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187) are considered as fundamental Conventions. They emphasise the duty of employers to maintain workplaces free from hazards and risks that could cause harm to workers. Through continuous improvement, deployment of new technologies and by fostering a safety culture, Telenor strives to achieve its Occupational health and safety (OHS) objectives with a focus on training employees and improving management in the supply chain. Telenor has one common OHS approach internally and towards suppliers, based on the ambition of achieving zero fatalities.

The commitment to health and safety extends beyond regulatory compliance; it also involves fostering a culture that prioritises prevention, continuous improvement, and active involvement of stakeholders.

Telenor's approach

OHS is a top priority for Telenor. Telenor's fundamental responsibility is to keep those working for the company safe

from harm, including own employees, in-house contractors and suppliers' employees. Telenor wants everyone to return home safely. The company maintains a comprehensive set of policies guiding its approach to OHS as an important part of Telenor's human rights commitment. The policy on Health, Safety & People Security reflects the company's responsibility to provide a safe and secure workplace for all employees as well as suppliers, including the prevention of both physical and mental harm. The company complies and adheres to the guidelines set forth by the International Standards Organisation ISO 45001.

OHS is an integral part of Telenor's Enterprise Risk Management (ERM) process which is overseen by the Board and RAC. Continuous monitoring and regular reviews, incident investigations and feedback mechanisms are considered key to identifying risks, trends and root causes.

In terms of processes, Telenor strives to ensure that the OHS system is thorough, effective, and consistent across all activities. OHS performance and objectives are reviewed regularly, utilising internal and external audits. Corrective measures are implemented to avoid recurrence of future incidents. Telenor adopts a systematic approach to incident investigations, aiming to facilitate learning, provide health and safety training, and monitor risks. This is done within Telenor's own business operations and also within the supply chain.

¹ SICOR (Serious Incident Close-Out Rate) measures Telenor's ability to correctly report and follow up serious incidents involving Telenor employees and suppliers. An incident qualifies for SICOR when a fatality, lost time injury or an incident that could have resulted in a fatality (high potential incident) occurs involving Telenor employees and suppliers.



Input from Telenor's employees is considered critical to identifying hazards, assessing risks and developing practical solutions. Employee involvement fosters a safety culture and encourages a healthy reporting culture.

Making Zero Possible

The company's operations involve a range of activities, such as road transport, work at heights, and construction, which may expose suppliers and contractors to risk. The company requires suppliers and partners with whom there is a direct contractual relationship, to comply with Telenor's Supplier Conduct Principles. More information about this can be found in the [Responsible supply chain](#) section of the report. In addition, Telenor has implemented a set of operational standards under the umbrella of Making Zero Possible, designed to address the highest risks in the operations such as electrical safety, working at height and fire safety. The standards are anchored in a belief that all accidents can be prevented and that setting clear expectations for high-risk activities and fostering a proactive safety culture are key. These apply to anyone who engages in high-risk activities within the scope of their work for Telenor.

While there has been no work-related employee or in-house contractor fatality reported since 2015, it is with great regret that Telenor in 2023 experienced six supplier employee fatalities and one third-party fatality related to network operations and sales distribution in Pakistan and Bangladesh. More information is provided in the section on fatal and serious incidents below.

Ambition, targets and performance

Telenor's incident management, reporting and investigation programme encourages employees and suppliers to report incidents, including near misses and potential incidents, for the purpose of identifying risks, determining corrective actions and for improvement. In 2023, Telenor set an ambitious target of 6,000 observations (unsafe acts, unsafe conditions) across all markets with the ambition to strengthen the reporting culture and help identify any potential hazards or unsafe practices before an incident or injury occurs. The company fell short of achieving the target in 2023 due to reporting challenges in the Nordics. The number of observations did, however, increase by 30% from 2022 to 2023 (from 3,500 observations in 2022 to 4565 in 2023 due to the efforts in Asia).

Health, Safety and Wellbeing			
	2021	2022	2023
Fatalities – employees	0	0	0
Lost Time Injury Frequency (LTIF) %	0.20	0.13	0.47
Sickness Absence Rate (full year average) %	1.65	1.78	2.53

Classification of own employees has been made consistent with the Occupational Safety and Health Administration (OSHA) standards. This initiative aims at establishing a well organised framework for promoting a safe and healthy work environment. It helps to create a shared understanding of terms, allowing for better knowledge transfer between business units and industry partners to improve overall safety and health performance

Fatal and Serious Incidents

It is with great regret that Telenor during 2023 experienced six fatalities due to road traffic accidents in the supply chain

related to network operations and sales distribution in Pakistan and Bangladesh. In addition, we have recorded one third-party fatality. Traffic conditions, dense population, driving behaviours, vehicle and infrastructure status are some of the underlying reasons of these fatalities. Telenor Asia is continuing to strengthen its on-going activities related to road traffic safety and has invested significant efforts into a Safety Advance program the past three years. The starting point of such program was to conduct an assessment of the Health and Safety Culture in the Telenor companies followed by designing targeted improvement plans to address the key risk and drive an uplift to the culture. The improvement plans include close cooperation with suppliers and business partners. The focus continues and improvement plans are being updated based on re-assessments of the culture. While each incident is highly regrettable, they reinforce Telenor's commitment to improving safety culture and practices throughout the supply chain. Further information about how Telenor addresses safety for workers in the supply chain can be found in the [Responsible supply chain](#) section.

The Serious Incident Close Out Rate (SICOR) helps the company more systematically prevent major incidents that could result in severe injuries and death. It measures the company's ability to correctly report and follow up serious incidents involving Telenor employees and suppliers.

In 2023, the company recorded ten SICOR incidents including six fatalities in the supply chain and one third-party fatality. Transportation accidents remain one of the key health and safety risks and the primary cause of incidents and injuries in Bangladesh and Pakistan, followed by work at height.

An essential aspect of health and safety reporting is ensuring that all incidents are followed up and analysed to identify trends and areas for improvement. Each market's health and safety reporting trends are reviewed quarterly to create plans for enhancing safety performance.

Lost Time Injury Frequency

The Lost Time Injury Frequency (LTIF) quantifies the frequency of work-related injuries leading to time away from work. It is calculated on the basis of worked hours and is categorised as a lagging indicator as it provides insight into the company's past safety performance. By tracking the frequency of lost time injuries, Telenor can gauge the effectiveness of its safety programs and initiatives. Monitoring this metric helps identify trends and patterns in workplace injuries which is valuable for recognising hazards, high-risks activities, or areas in need of targeted safety interventions.

2023 saw a low frequency of work-related injuries among own employees resulting in lost work time, The LTIF for 2023 is 0.47. This constitutes an increase from last year when the LTIF stood at 0.13.

Sickness Absence Frequency

Sickness absence frequency refers to the frequency at which employees are absent from work due to illness or health-related reasons. It assesses the prevalence and impact of sickness-related absences. It is a proactive measure that supports both employee well-being and organisational effectiveness. In 2023, the sickness absence frequency was 2.53%.



Training & Capacity Building

Telenor has developed and launched three online learning modules for OHS with the objective of raising awareness and build a culture of safety among employees. In 2022, two modules were rolled out including the mandatory "Understanding Health and Safety," and "Making Zero Possible," focusing on how to achieve the zero-vision for work-related accidents. In 2023, the company introduced a module addressing mental health. Over 20.000 hours for awareness and capacity-building on topics related to relevant risks to the Supplier Code of Principles, including health, safety and security, throughout 2023 have been carried out.

Mobile masts and health

Telenor abides by national and international guidelines and regulations to sustain compliance with national or global emission standards from the World Health Organisation and the International Commission on Non-Ionizing Radiation Protection for network equipment and mobile phones sold

through Telenor. Telenor will continue to inform the public about scientific facts related to radio waves and its radio base stations, together with science-based guidelines and science-based research, through its own channels and in collaboration with local regulators/authorities and industry associations. More facts, and Q&A is available on telenor.com.

Going forward

Telenor aims to further strengthen the safety culture among employees and suppliers, by:

- Achieving zero fatalities and ensuring mitigation of the company's high risks through the Making Zero Possible standards.
- Increasing OHS competence among all employees.
- Improving OHS reporting with focus on near misses and observations.
- Improving OHS management of suppliers.



Digital skills, inclusion and online safety

Digital skills and inclusion: Building digital skills is a crucial step in promoting digital inclusion and ensuring people can take advantage of the connectivity and digital access benefits. This includes efforts to use technology to strengthen digital literacy, promote social innovation, and access to essential services through digital solutions.

Online safety: Business impacts on the ability to protect children, elderly, vulnerable groups, and girls. Digital parenting to protect children's rights in their digital life and prevent violations including infringements on privacy, discrimination, and harassment. This includes efforts against child sexual abuse.

Responsible product use: Business impacts associated with the use or misuse of company products and services by business relationships, including customers, partners, and other users. This also includes ensuring that products and services do not enable, facilitate, incentivise, or motivate online behavior that results in offline harm such as child sexual abuse content (CSAM).

Risks

Potential risk of legal liabilities and reputational damage if children, elderly, vulnerable groups, and girls' rights are not protected

Mistrust from communities due to misinformation leading to operational stoppage and asset destruction

Opportunities

Promote universal access to digital technologies, improving all levels of digital skills and open and ethical innovation

Telenor workforce to better innovate and quickly adapt to market demands due to the acquisition of necessary future skills

Reputational benefits for Telenor being an inclusive partner in building future skills

Strengthened trusted partner position

Social license to operate

Negative impacts

Potential discrimination in access to products and services

Lack of equal access to Internet, mobile phones, and digital technologies for vulnerable groups

Cyberbullying, exposure to potentially harmful content, attempts at fraud, distribution of child sexual abuse materials

Child trafficking and exploitation leading to mental and physical challenges also for family and community

Positive impacts

Equipping people with the resources, knowledge, and skills for an accelerated digital future, excluding no one

Provide more value to customers and societies through digitalisation

Better performance in school and work environments due to Safe online environment for children, elderly, vulnerable groups

Difficult to do business out of child sexual abuse content leading to potentially positive ways of earning

Improved mental and physical wellbeing of children and communities

The broader perspective

Digitalisation brings a range of opportunities to provide added value to customers and societies, as well as new opportunities for growth. Digital services have significant potential to improve people's lives by addressing social, economic, and environmental issues, increasing efficiency, and helping close the inequality gap. The World Economic Forum's "Future of Jobs 2023" report confirms that technology is a critical driver of business transformation in the next five years. The top skills companies are increasingly looking for skillsets within cloud computing, big data,

artificial intelligence (AI), cybersecurity, user experience (UX) skills, media skills, etc (Source: [WEF](#)).

Telenor is committed to empowering societies by driving connectivity and digital inclusion while helping to build critical skills for a digital future. An estimated 2.6 billion people across the globe are still unconnected (Source: [ITU](#)). In addition, ensuring reliable and affordable access for many of those who are connected remains a challenge. There is an increased focus on how tech-based products and services may exacerbate inequalities and prejudices through bias in algorithms. Telenor runs several projects on digital skills in its markets to tackle these challenges.



Telenor's approach

As part of Telenor's commitment towards empowering societies, the company strives to ensure digital access for all, equip people with knowledge and resources to operate effectively and safely, and help foster a supportive ecosystem that can address risks and grow digital resilience. These areas have a clear link to the current and future commercial and technology agendas in Telenor and are aligned with the desired learning culture. Digital Skills is defined as one of the areas where Telenor can drive positive impact. The Global Sustainability Partnerships with UNICEF and Plan International are key to achieving the company's ambitions.

The projects under the Global Sustainability Partnerships focus on developing skills for an accelerated digital future, and aim to include the digitally excluded, impart skills to excel in the future and ensure a safe online experience for all. The target beneficiaries for the partnerships are children and youth aged 0-24 years and youth/women-led Small and Medium Enterprises (SMEs). A special focus is being placed on vulnerable and marginalised individuals. Both global partners deliver value and impact for Telenor by reducing risks and costs, increasing transparency, credibility, and amplifying the knowledge base.

Telenor also has a sustainability partnership with Cisco, via the companies' Joint Purpose Agreement. Positively impacting societies where both companies operate is at the centre of this sustainability partnership. The aim is to leverage possible synergies through collaborative initiatives, supported by Cisco's and Telenor's core competencies, to grow the reach and impact of the initiatives.

Impacts, risks and opportunities

Telenor's work in the field of digital skills brings opportunities to enhance universal access to digital technologies as well as improving the full spectrum of digital skills. In Asia in particular there is still a large unconnected or underserved population. Giving more people access to digital services and connectivity creates commercial opportunities, grows the potential customer base, and allows for greater value creation with customers and partners. Digitalisation brings new opportunities to provide more value to customers and societies. The company positively impacts societies by providing digital access for all. This leads to equipping people with the resources, knowledge, and skills they need in an accelerated digital future, excluding no one. A safer online environment for children, seniors, vulnerable groups, and girls, contributes to improved performances in schools and work environments.

Conversely, if vulnerable groups such as children and seniors remain unprotected, the risks of legal liabilities and reputational damage increase. Unless there is focus on ensuring equal access to all, there is a risk of discrimination in access to products and services. Vulnerable groups may lack equal access to Internet, mobile phones, and digital technologies. Risks include cyberbullying, exposure to

potentially harmful content, attempts at fraud, and distribution of child sexual abuse materials. Girls and new internet users are at heightened risk of certain harmful online activity, including cyberbullying.

This is why Telenor is dedicated to developing and leveraging technology in new and innovative ways. The company has an opportunity to enable social innovation, reduce inequality and promote digital inclusion. Telenor believes connectivity is an important first step towards an inclusive society with digital access for all and wants to see opportunities become available for all. By using the company's expertise and modern communications technology, Telenor can achieve its collective mission of enabling children and youth, especially girls, in the company's markets to develop skills for a safe and hopeful digital future.

Telenor is committed to preventing and helping combat child sexual abuse online. In 2008, an international group of mobile operators in the GSMA formed the Mobile Alliance Against Child Sexual Abuse Content, seeking to create significant barriers to the misuse of mobile networks and services for hosting, accessing, or profiting from child sexual abuse material. The 2023 EU Parliament report on combating child sexual abuse content online notes that online child sexual abuse materials (CSAM) and grooming (manipulative practices aimed at exploiting and abusing people), now increasingly targeting younger children, have been spreading at an alarming rate. In 2022, the more than 32 million reports of suspected online child sexual abuse represented a historical peak.

Telenor's Nordic operations engage with local police and Interpol to implement domain-based filtering of known CSAM lists. On a global level, Telenor is raising awareness through online safety programmes in several markets. One example is in Pakistan where Telenor and UNICEF have collaborated in a project particularly focused on child protection when it comes to CSAM (see section *Examples of Telenor's projects from 2023* below for more examples of Telenor's work in this area).

Ambition, targets and performance

Telenor's ambition is to become an inclusive partner in building future skills.

Digital skills, inclusion and online safety			
	2021	2022	2023
Number of people trained in digital skills (base year 2021)	1 688 290	3 002 330	4 089 938
Mobile internet users (% active data users in Telenor's customer base)	58%	58%	58%



In 2023, Telenor continued to invest in ongoing projects across the Nordics and Asia to reach its target of training six million people by 2025 (base-year 2021) focusing on children, young people, and small and medium-sized enterprises. To achieve the ambitions for digital skills building, leveraging the ongoing global sustainability partnerships with Plan International and UNICEF will be key. The target for mobile internet users is 68% in 2025.

Examples of Telenor's projects from 2023:

Focus on diversity and inclusion when building digital skills

In **Finland**, the joint **Digital skills for migrant youth** project with Plan International aims at preventing digital marginalisation and strengthening equality of migrant youth, whilst at the same time improving understanding of diversity, equity and inclusion among DNA employees.

In **Bangladesh**, a project with Plan International targets girls and the most marginalised communities in the country. The project aims to increase the digital knowledge, skills, resilience and safe online space for 2.35 million girls and youth over a period of two years. This inclusive initiative covers diverse groups, from transgender individuals to ethnic and religious minorities. In 2023, 141,000 youth were trained as part of the program. As part of the project, a baseline survey was conducted for vulnerable communities in Bangladesh. The survey, the first of its kind in Bangladesh, systematically engaged 4,800 individuals across eight diverse communities. The objective was to comprehensively understand digital needs and provide personalised training to the 2.3 million vulnerable individuals. The resulting report, "[Inclusive Digital Future for Vulnerable Communities](#)" underscores a dedication to shaping a truly inclusive digital landscape.

Focus on creativity, innovation and thought leadership

A creative element is present in several of the projects across the markets in 2023. For example, in **Pakistan**, together with UNICEF and Orenda, Telenor is engaged in the Taleemabad project which develops not only app content aligned with the school curriculum, but offers adaptive learning and a series of cartoons to keep student engagement high. The programme has been created using iterative design thinking, fully embracing the local constraints into the design, including alignment with national public curriculum, digital literacy, connectivity, affordability, culture and language to provide high-quality digital educational services to underserved learners and schools in Pakistan, while building a sustainable business model.

Taleemabad's novelty lies in the creation of localised, engaging, animated educational content for preschool and primary students that not only makes learning easier and fun but also serves as a modern aid to enable more skilled teachers, efficient school management and more resilient schools. Through Taleemabad, Telenor Pakistan aimed to reach out to a million underserved children and educators in public and private schools to improve and sustain education in these changing times. Despite challenges like bureaucratic hurdles and COVID-related disruptions, the project demonstrated the transformative power of user-friendly technology in enhancing educational quality and management, thereby marking a significant leap in Pakistan's digital learning and educational reform.

In **Norway**, the **Girls Create Tech** mentorship programme set up with Plan International Norway offered high school girls the opportunity to learn about artificial intelligence (AI) and allows them to test their coding and perform practical skills within Internet-of-Things (IoT). The programme aims to reduce the digital gender gap in Norway, to inspire more girls to choose technological education and to challenge gender stereotypes in careers within technology. 36 girls in first and second year of high school participated in the last round of the programme, which completed in Q1 2023. They were assigned female mentors from Telenor and participated in a number of workshops focusing on idea-sharing and concept design within tech, concept design, cyber security, coding and how tech can solve societal issues.

FutureNation is a collaboration of UNDP Bangladesh, Grameenphone, and BIDA, which empowers young individuals by providing essential skills, access to meaningful employment, and support for entrepreneurial endeavours. The programme launched a [platform](#) with tools like self-assessment, learning management, and a recruitment engine. In 2023, over 19,000 youths were registered and actively used this platform.

Grameenphone academy, a free learning platform of Grameenphone in Bangladesh with 71,000+ enrolled students, offers courses on freelancing, entrepreneurship, future skills and career readiness. More than 32,000 certificates have been provided of which 10,200 are to females. Apart from online courses, it has conducted onsite sessions engaging at least 10,000 students. The programme resonates with the Smart Bangladesh vision 2041 by contributing to Smart Citizen pillar by providing free skills to make the future ready youth. In 2023, 28,000 new students were enrolled in the academy.

Focus on strengthening child and youth online protection

Telenor's **digital skills and online safety programme** with UNICEF in **Pakistan** aims at promoting safe and responsible use of the internet among children, caregivers and educators through awareness raising, capacity building, and strengthening of policy, strategic and the regulatory environment in this area. The ambition is to train 750,000 people by year-end 2025 (the programme is set to continue albeit the sale of Telenor Pakistan to PTCL).

In **Bangladesh**, a project with UNICEF also launched in 2023, aims at providing online protection for over 10 million children over the next three years. The goal is to ensure children and adolescents are digitally literate and aware about safe, ethical and responsible use of digital technologies considering current and future contexts, challenges and opportunities in Bangladesh.

The **Bruk Hue** programme with the Red Cross in **Norway** is an interactive training programme on cyber bullying for school children. The programme has been running since 2009 and in 2023 the content was launched for new target groups, including a new anti-bullying toolbox for leaders and coaches in volunteerism, accompanied by a wide-reach campaign adapted to cinema, TV and social media. The programme has had over 550,000 users since its launch in 2009. In 2023, the programme trained over 77,500 children.

The **Nätprat** project in **Sweden** aims to increase the dialogue between children and adults about both negative and positive aspects of life online, in order to increase children's



digital resilience. About 300,000 children were trained only in Q3 2023 through this initiative. In 2023, Telenor Sweden launched a new project on **Children's Rights & Safety Online** in partnership with Plan International Sweden, which aims to raise awareness, build skills and engage with children, parents, teachers and other key target groups to prevent violations of children and youth online.

The **#digitalpænt** programme in Denmark helps children address online challenges and provides them the skills to navigate digital media and platforms. Over 10,000 children in level 4-6 (primary school) were trained as part of the initiative in 2023.


In March 2023, Telenor joined the Norwegian government delegation to the UN event "Commission on the Status of Women" with focus on how technology and digital services can promote increased gender equality. Telenor was invited as an extension of the partnership with Plan International.

In September 2023, Telenor participated in various panel discussions and events at the United Nations General Assembly. At an event hosted by the International Telecommunications Union (ITU), the CEO Sigve Brekke reaffirmed the company's commitment to drive social and digital inclusion by promoting skills for the future.

Going forward

To achieve the target of training six million people by 2025, Telenor continues to leverage the ongoing partnerships with UNICEF and Plan International, strengthening the private sector sustainability partnership with Cisco and integrating with local initiatives to achieve scale and impact. The focus will remain on children and youth, small and medium enterprises with a special emphasis on the inclusion of vulnerable groups. Telenor remains committed to working towards integrating child protection language in policies and guideline frameworks and will further strengthen engagements with industry platforms such as GSMA to tangibly curb the beneficiaries of child sexual abuse material.

Telenor will continue to develop the company's thought-leadership in the area of future skills building by bringing together various stakeholders, learnings and available research. Safe use of Artificial Intelligence (AI) is an area Telenor is particularly keen on addressing, and in 2024 the company will explore opportunities related to responsible AI skills – both as a user as well as from a developer perspective.



Governance

Governance is about applying Telenor's principles and processes to create value for our stakeholders. Responsible business conduct, including high ethical standards and solid anti-corruption policies, is at the core of everything we do. It goes without saying that privacy and data protection is fundamental in our telecom operations, together with cyber security. Significant effort is also made to ensure we have a responsible supply chain including zero-tolerance for forced and child labour.

Why sustainability governance matters

A well-functioning governance and risk management process is a prerequisite for value creation and credibility among customers and stakeholders. Telenor follows high international standards of governance across all entities and has a clear process for dealing with risks and opportunities with the ambition to be a responsible owner in both minority and majority ownership positions.

Telenor sets high standards for business partners and suppliers in areas such as fair and reasonable wages, safe and decent working conditions, anti-corruption, sanctions, labour and human rights, environment, privacy and security. Telenor carries out due diligence, investigations and audits in the supply chain to identify, assess, avoid and mitigate risks.

As the digital society evolves and more data is collected from individuals and their devices, protection of personal data remains a key priority.



Responsible supply chain

Responsible supply chain links to several social and environmental topics, as well as business impacts associated with Telenor's relationships with entities in its supply chain, including those beyond direct suppliers.

Risks

Dependency on key suppliers

Compliance and legal liabilities

Lack of traceability and challenging risk assessment in supply chain

Supply chain disruptions and inability to acquire critical materials as well as reputational damages which in turn can have severe impact on innovation and competitiveness

Opportunities

Access to new suppliers, innovative solutions, and cost savings through increased competition through inclusive procurement practices and local procurement

Effective risk management could help mitigate legal, reputational and operational risks

Improved purchasing practices such as selecting responsible business partners can lead to reduced risk in overall supplier portfolio

Negative impacts

Failure to adopt responsible procurement practices can serve to perpetuate workforce exploitation and damage to communities

Positive impacts

Responsible procurement practices, high sustainability standards, and continuous improvement throughout Telenor's supply chain can lead to potential positive impacts to community, employee and customer resulting from suppliers' ESG performance

The broader perspective

Embracing responsible supply chains is a strategic imperative that addresses evolving societal expectations, mitigates risks, enhances brand value, and positions companies for long-term success in an increasingly conscious and interconnected business environment. At Telenor, it reflects a commitment to ethical, social and environmental values and ambitions and is integral to how the company conducts its business. Telenor's fundamental responsibility is to respect human rights and keep those working for us safe from harm, including own employees, in-house contractors and suppliers' employees. This is aligned with internationally recognised principles and standards for responsible business conduct such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The Norwegian Transparency Act also asks for more transparency in the supply chain. The Act became effective in 2022 as one of several emerging mandatory due diligence obligations to come into effect across Europe. See more information in the section on the [Transparency Act Report](#).

Consumer preferences for sustainable and ethical products and services are evolving as awareness regarding issues such as climate change, human rights and ethical business practices increase, and consumers are actively seeking products and services that align with their values.

Telenor's approach

Telenor strives to uphold high standards amongst the company's business partners through risk assessments, monitoring and mitigation activities, while focusing on continuous improvement. This includes identifying risks areas and setting high standards in areas such as fair and reasonable wages, safe and decent working conditions, anti-corruption, sanctions, human rights, environment and

privacy and security within own operation and throughout the supply chain across the company's different markets.

The Supplier Conduct Principles (SCP) set out Telenor's requirements towards its business partners on responsible business conduct and mirror the Telenor's Code of Conduct. They are based on internationally recognised standards and include human rights, health and safety, working conditions/labour rights, conflict minerals, environment, privacy, freedom of expression and prohibited business practices.

Telenor requires suppliers and partners with whom there is a direct contractual relationship to comply with Telenor's SCP or equivalent standards. Where suppliers/partners comply with Telenor's SCP, they are legally obliged to ensure that the requirements are met in their associated supply chain through the Agreement on Responsible Business Conduct (ABC). The company strives to ensure that policies and practices for governance are implemented.

The ABC requires Business Partners to be transparent and follow Telenor's standards for responsible business conduct. It further requires Business Partners to remedy any non-conformity within SCP areas and to drive improvement in the sub-tier supply chain.

Telenor carries out due diligence in the supply chain to identify, assess, avoid and mitigate human rights and other SCP risks. Given the evolving nature of Telenor's business, business partners and legislative landscape, Telenor relies on a risk-based approach of managing and monitoring business partners based on scope of work, nature of engagement with Telenor and geography.

Telenor has implemented different tools and processes to perform due diligence and monitoring activities on suppliers, with the aim to avoid, reduce and remedy any



non-conformities with the SCP. More information can be found in the [Transparency Act Report](#) section.

Pre- and post-contract

Prior to engagement, business partners shall undergo risk-based assessments and integrity due diligence. The Procurement teams, contract owner, Compliance and Supply Chain Sustainability teams and other relevant subject matter experts are typically involved to ensure a coordinated approach in the implementation of the business partner risk assessments. This includes pre-contract risk assessment, ABC signing together with the contract, post contract monitoring and mitigation, and escalation of non-compliance depending on expert area.

Key vendor meetings

Integrating sustainability discussions in key vendor meetings allows Telenor and its strategic business partners to identify and mitigate potential risks associated with ESG factors. Proactive risk management in these areas contributes to long-term business resilience. It also fosters innovation opportunities, promotes transparency and shared values and builds trust and a joint commitment towards responsible business practices.

Performance monitoring

Using a risk-based approach, Telenor Companies utilise efficient data touchpoint tools for monitoring performance across multiple dimensions, including ESG Tracking. The aim is to assess and evaluate the performance and outcome related to responsible business conduct and monitor alignment with the overall goals and sustainability targets of Telenor.

Post contract self-assessment

A comprehensive questionnaire is also available to Telenor Companies to send to high- and medium-risk suppliers and partners. This covers all areas of ESG risk relevant to the supplier/partner. The aim is to evaluate and gather relevant information about suppliers' performance and practices.

Inspections and audits

Telenor companies do their own audits and inspections within their scope of suppliers on a risk-based approach, using the Audit and Inspection module in Synergi Life. In addition, Telenor conducts global audits in common industry supply chain through its membership in the JAC initiative (see information below).

Capacity building

Continuous improvement is central to Telenor's Responsible Supply Chain work. A risk-based approach is taken in the selection of suppliers for capacity building and training in critical risk areas. This entails improving suppliers' capacity building within their own supply chains in accordance with established standards.

Telenor is committed to working with business partners and the industry through the Joint Alliance for CSR (JAC), a non-profit association of telecom operators. The aim of JAC is to

raise social, environmental and ethical standards within the Information Communication Technology (ICT) supply chain. This includes joint efforts to respect human rights and ethical standards, particularly addressing forced labour, labour exploitation and conflict minerals, ensuring health and safety within the supply chain and scope 3 emissions supplier engagements.

Telenor has committed to undertake global audits as part of Telenor's membership with JAC. The purpose of the audit is to identify the level of conformance with the JAC CSR principles and/or other applicable standards equivalents.

Ambition, targets and performance

Telenor is committed to upholding responsible business practices within the supply chain through high sustainability standards and continuous improvement. Telenor has the following targets related to responsible supply chain:

- Monitoring conducted on 100% of high-risk business partners by 2024
- Achieve an annual 90% closure rate of non-conformities¹ in the supply chain by 2025

Telenor's key risks in the supply chain continue to be health and safety issues such as road accidents, working at height and construction. Additionally, working condition deficits related to hours and wages, underage labour and risks to business ethics are formidable. The majority of these risks are in Telenor's operations in Asia. Use of conflict minerals, forced labour and modern slavery allegations in the common industry supply chain are also followed up through the industry platform JAC. For more information, see chapter on [Forced, child and underage labour](#).

Responsible supply chain			
	2021	2022	2023
Fatalities – suppliers, Tier 1 and beyond	2	2	6
Fatalities – 3 rd party	0	1	1
Capacity building of suppliers (man-hours)	34 716	27 741	20 262
Sustainability inspections	3 552	3 559	357
% of inspections that were unannounced	45	73	32
No of major non-conformities	442	990	234
No of minor non-conformities	1 066	1 762	273
Closure rate of non-conformities in the supply chain	95%	55%	61%

¹ Telenor will prioritise addressing significant non-conformities in Asia, emphasising both the quality of the resolution and timely closure. This is important to drive systemic improvements not only within direct contractual business partners but also extending beyond them.



The decrease in sustainability inspections from 2022 to 2023 is in considerable part because numbers in minority ownerships in Thailand and Malaysia are no longer accounted for. In addition, Grameenphone temporarily paused audits and inspections in 2023 to address major non-conformities from 2022, adversely impacting the reported closure rate for Telenor Group. In 2023, Telenor continued to focus on the risk-based follow-up of business partners and on strengthening its systems and procedures to assess, identify and mitigate risk within the supply chain.

- Telenor is systematically prioritising monitoring of high risk suppliers and business partners. Calculation on the 100% target will be shared onwards in 2024 reporting. The Telenor companies implemented several of the business management tools that were introduced in 2022 for high-level and in-depth monitoring.
- Through the membership in JAC, Telenor has had access to 123 audit reports of global supplier factories/sites which are common to the industry.
- Through the membership with JAC, Telenor has also participated in a workstream related to Human Rights, Forced labour, living wage and responsible minerals.
- The road safety action plan is being implemented in Asia (further details can be found in the [Occupational health and safety](#) section).

Going forward

To achieve the ambition of upholding responsible business practices within the supply chain through high sustainability standards and continuous improvement, Telenor will continue to focus on a risk-based approach towards suppliers, strengthening its systems and procedures to assess, identify and mitigate risk within the supply chain. Capacity-building will continue to be a significant priority to ensure that key suppliers drive trainings and build further competence within their supply chain according to agreed standards.

Sustainability is a stakeholder-driven process that requires engagement, and it is crucial to meet the suppliers where they are at in their journey. Communication is key and Telenor will continue to develop and improve communication for engagement with suppliers, monitor performance via contracts, audits and post-contract assessments and work in close collaboration with the JAC initiative and contribute to being at the forefront in the topics that are the most critical to the industry.



Privacy and data protection

Data protection: Confidentiality, integrity, and availability of information. Individuals' (mainly consumers but also employees) rights to privacy, including types of information gathered and the ways in which such information is obtained, used, and stored, including informed consent.

Freedom of expression and privacy: These are two rights that are key to the core business of telecommunication, to be balanced with the interests of authorities. Companies must respond to data access, intercept, network and content law enforcement requests in ways that respect laws and regulations, as well as international human rights standards, such as the UN Guiding Principles on Business and Human Rights (UNGPs) and the Global Networking Initiative (GNI) Principles. This is important to limit unnecessary or disproportionate government restrictions on human rights and includes active engagement with governments, NGOs, the media and industry peers, to handle, verify and report these issues.

Risks Infringement of individuals' rights and freedoms Stakeholder expectations not met Non-compliance with privacy regulations, leading to fines and class actions Non-compliance with privacy requirements under sectoral regulations	Opportunities Empowering individuals and societies by applying privacy protecting methods and technologies in ways that give, society and stakeholders, an increased trust in Telenor and its products
Negative impacts Chilling effects to society resulting in changed behaviours Negative effects and harm to individuals Negative impact on reputation among stakeholders	Positive impacts Promotion of rights and freedoms of individuals Promotion of industry standards and practices that aim to protect rights and freedoms of individuals Promotion of democratic values in society, such as freedom of expression

The broader perspective

As the digital society evolves, more data is collected from individuals, their devices, and their movements. The availability of "unlimited" storage and the rapid development of data analytics, automated decision making, and AI present both considerable opportunities and considerable risks to societies, organisations, and individuals.

Consequently, lawmakers, governments, customers, and other stakeholders are increasingly focused on data protection as well as on new surveillance legislation for crime prevention and to fight crime and terrorism. Comprehensive data protection and privacy legislation exists in Europe and the regulatory attention to data protection issues remains high. Additionally, European privacy legislations continue to influence Asian markets, and there is an ongoing introduction of data protection and privacy legislation in addition to privacy related requirements in sectoral legislation in Asian markets where Telenor operates.

Processing personal data is ingrained in the activities of any electronic communications company, and these processing activities are performed at very large-scale. Due to the sensitivity and volume of information processed, protection of personal data is part of an operator's license to operate, emphasising the importance and necessity to secure the integrity, confidentiality, and availability of information.

Freedom of expression and privacy are key to the core business of Telenor. However, these rights need to be

balanced against the interests of relevant authorities as defined by law. Freedom of expression is covered in further details within the [Transparency Act Report](#) and in Telenor's annual report on [Authority Requests](#) for 2023.

Telenor's approach

Telenor is committed to protecting the privacy of its customers and to creating and maintaining secure and privacy-friendly services that customers can use without having to worry about having their integrity and personal sphere being compromised. Telenor has a global Privacy Policy with high-level requirements for all business areas and subsidiaries. The policy outlines fundamental principles for processing of personal data and general expectations for all Telenor companies, regardless of their regulatory environments.

Telenor's Privacy Policy, which was revised in 2023, covers the following requirement areas:

- Formal allocation of responsibility and resources for privacy management;
- Identification, management and reporting of privacy related risks;
- Implementation and operation of a system of internal controls for privacy;
- Identification and management of external regulatory requirements for the privacy area;
- Maintenance of up-to-date processing activity inventories and documentation of legal basis for the processing activities;



- Implementation and operation of key processes related to management of personal data, such as data protection impact assessments, privacy by design, fulfilment of data subject rights, and data retention;
- Management of risks related to cross-border transfers of personal data;
- Detection, prevention and mitigation of privacy incidents;
- Management and monitoring of third-parties processing personal data;
- Internal training and awareness related to privacy;
- Management of threats to privacy caused by Algorithms and AI.

Telenor continuously develops good practice guidelines for business areas and subsidiaries to adopt and apply as they see appropriate. To facilitate sharing of knowledge and good practices across business areas and subsidiaries, Telenor continued to facilitate privacy communities, connecting privacy experts within the group.

Ambition, targets, and performance

Guided by the code and its cultural behaviours, Telenor's ambition is to continue to be a trusted partner with strong brands. By continuing to be transparent and honest, playing by the rules, keeping promises, being respectful and keeping personal data secure, Telenor will continue strengthening its brand and at the same time empowering societies.

Targets for 2024 are:

- Implement Telenor's revised Privacy Policy in all Telenor companies ;
- Develop practices to manage new privacy risks introduced by use of artificial intelligence, in particular generative AI, and to support Telenor's ambitions regarding the responsible use of artificial intelligence;
- Continue to improve Telenor's Privacy governance across the group;
- Continue promoting and sharing of good practices and knowledge between Telenor's companies.
- Implement the Global Network Initiative (GNI) principles with improvement over time

Going forward

Telenor remains committed to being a strong and trusted brand with a high focus on customer privacy. Telenor's overall approach to privacy is focused on providing transparency in the way the company works to protect personal data, manage privacy risks, and in remaining compliant with regulatory requirements as well as empowering societies.

The rapid developments of artificial intelligence, and especially generative AI, present new challenges and risks for privacy, and Telenor has made it a key priority to develop practices that support the responsible use of AI so that the company's ambition on the protection of fundamental rights, such as privacy, are met.



Cyber security

Cyber security: Encompasses risks to society and the human right to privacy related to disruption of customer operations or services (e.g., provision of essential services) and/or loss or compromise of data due to cyberattacks. This also includes unauthorised access or criminal use of networks, devices, and data due to cyberattacks.

Risks

Cyberattacks is a key business security risk that could lead to service disruption, impact interconnect signalling and lead to personal data breaches, which in turn could lead to legal liabilities, loss of customer trusts and have a negative impact on reputation

Negative impacts

Cyberattacks may impact both on company and societal level and may negatively impact the a company's ability to deliver important services

Societal impact would be from identify theft and misuse or unavailability of public services dependent of Telenor's services

Opportunities

Provide Security-as-a-Service (SaaS) through developing expert know-how, innovative research, active use of new technology and strategic partnerships

Strengthen competitive advantage as a trusted partner

Positive impacts

A systematic approach to security improvement will protect customer and business data and may reduce the impact of cyber-attacks

The broader perspective

The long-term trends of increasing tension and polarisation globally are expected to continue to disrupt the global socioeconomic landscape. The threats to societies and economies, either in the form of cyberattacks, massive disinformation campaigns or the weaponisation of digital dependencies will also continue. Therefore, strengthening digital resilience requires a systematic approach and continued collaboration between the security functions across Telenor. It also includes sharing of threat intelligence with partners and with private and public sector for mutual benefits in improving the maturity and capabilities in the markets Telenor operates in.

Telenor's approach

Telenor has a strong commitment to security reflected in an ambition to protect society and people in their digital life, by ensuring that security is the foundation for everything the company does. Telenor takes a holistic, risk-based approach to delivering end-to-end security, systematically improving security across people, processes, technology, and partners. Work is undertaken across Telenor companies and functions to address security challenges, collaborating and learning from each other. Telenor's security requirements are global and based on international standards such as ISO 27001 and other equivalent standards and best practices. The Security Policy covers the areas information security, physical security, fraud and crisis management.

Ambition, targets and performance

Telenor has set the following security ambitions:

- Telenor will continuously work to improve the Telenor companies' overall security posture, measured through the company's security maturity process, risk based with infrastructure built on Defendable Architecture principles;
- Acting as a responsible owner with state-of-the-art corporate governance of global, regulatory security compliance. Security risk will be managed through a threat-intel framework adapted to current threat landscape in each business area;
- Telenor will be seen as a trusted and preferred partner by customers in every segment, leading the way with state-of-the-art security and fraud protection in connectivity services through expert know-how, innovative research, active use of new technology and strategic partnerships.

Based on these ambitions, the global security organisation (OneSecurity) led by Global Business Security (GBS) supports Telenor companies in creating value and maintaining the same high security standards. In 2023, additional Telenor companies were enrolled in the Security Strategy Execution Program, further expanding the systematic programme to improve cyber resilience.



The Security Strategy Execution Programme

The **Security Strategy Execution Programme** and the Telenor Maturity Model are instrumental in ensuring that the Telenor Security Strategy and strategic ambitions are implemented across Telenor.

The Security Strategy Execution Programme is a structured framework designed to improve the security maturity (security resilience) of all Telenor companies. The framework consists of tools, reporting templates, meeting places, people and way of work.

The Security Strategy Execution Program is primarily intended to be the vehicle for the Business Security Officers to drive security forward and facilitate meaningful and recurring dialogues with Top Management on risks, vulnerabilities, priorities, and necessary mitigations. It also provides a common language for all stakeholders when discussing security risks, plans, priorities, and status.

The Process is recurring and aligned with the Strategy process with quarterly activities.

As a measure to improve the Emergency preparedness, all Telenor companies have updated crisis management plans and tested relevant scenarios. In Telenor Norway, the “Bukkesprang” cyber defence exercise in October 2023 gathered key players in the total defence of Norway, from civil, military and public sector, as well as from private businesses. Additionally, Telenor Norway released the Digital Security 2023 (Digital sikkerhet 2023) report to raise awareness within cyber security. Telenor’s aim is to contribute to greater transparency around the threat situation and what is needed to strengthen security for the company and the society. By sharing experiences and insights across sectors, Telenor contributes to helping others build their expertise and strengthening the joint digital resilience.

Going forward

Telenor is committed to being a trusted partner operating critical infrastructure, working on security culture, providing transparency to stakeholders, tightening physical security around assets, and increasing capacity around emergency preparedness and incident response.

By 2026, Telenor wants to be recognised as taking a leading position on security in every market where it operates, and to be seen as a trusted partner and responsible owner in any business the company conducts.



Ethical business and anti-corruption

Ethical business and anti-corruption: Organisational standards, sets of principles, values and norms that govern the actions and behaviour of individuals in the business relationships and among business relationships. They aim to prevent corruption, bribery, extortion, anti-competitive practices, fraud, among other unethical practices.

Risks Non-compliance with anti-corruption laws and regulations Legal liabilities Fines, corporate penalties and financial losses Reputational damage Loss of license/permits	Opportunities Setting ethical standards and compliance programmes that aim to prevent, monitor and report corruption Creating a culture of integrity, transparency, and accountability Enhanced trust of stakeholders and society
Negative impacts Increase of costs and reducing access to basic services Amplified inequality and reduced private sector investment, job opportunities and economies. Loss of trust and confidence of citizens in their leaders and governments	Positive impacts Empowered societies Promotion of ethical values and principles

The broader perspective

Corruption hinders development of democratic societies and is a considerable obstacle to economic and social development around the world. It prevents fair competition, creates distrust in the public sector and has negative impacts on sustainable development and particularly affects poor communities.

For companies, corruption impedes business growth and poses serious legal and reputational risks and financial costs. New and stricter anti-corruption regulations continue to emerge worldwide. All companies need robust anti-corruption measures and practices to protect their reputations and the interests of their stakeholders.

Corruption is a threat to Telenor's business and to the societies where the company operates, especially in some emerging markets that are potentially complex and have sensitive political and social contexts. A systematic and proactive approach is important to adequately manage risks related to corruption, extortion, bribery and trading in influence.

Telenor's approach

Telenor is committed to conducting business activities in a transparent manner, maintaining the highest ethical standards and complying with applicable anti-corruption laws and regulations. Telenor's commitment to integrity and transparency is clearly stated in Telenor's Code of Conduct and forms an important part of training and awareness activities.

The Code and the Telenor's Anti-Corruption Policy prohibit corrupt conduct in all Telenor's business activities. Telenor works actively against corruption through its Anti-Corruption Compliance Programme which is implemented across the company. A description of Telenor's Anti-Corruption Programme and the Compliance function is

publicly available on the Corporate Governance pages on Telenor.com. The Anti-Corruption policy was updated in 2023.

Telenor's Anti-corruption Policy on how to manage corruption risk is based on international standards and best practices and defines specific and measurable requirements to each subsidiary for demonstrating that an adequate and risk-based anti-corruption programme is in place and works effectively.

Risk assessments are one of the key elements of the anti-corruption compliance programme and are meant to ensure that corruption risks are identified, analysed on a regular basis and mitigated by sufficiently robust controls and actions.

All Telenor companies are required to implement controls designed to prevent corruption across business operations, and to monitor and manage potential conflicts of interest. This also applies to (the conduct of) third parties acting on behalf of Telenor. Telenor companies are expected to implement controls regarding the following:

- Actual or perceived conflicts of interest
- Facilitation payments
- Improper business courtesies and other advantages
- Improper payments
- Trading in influence

A key element in Telenor's Anti-Corruption Programme is capacity-building and training of employees. Anti-corruption training includes e-learning programs, dilemma-training and other awareness (building or developing) activities.

Telenor supports implementation of anti-corruption policy requirements through development of good practice guidelines for business areas and the Telenor companies. Additionally, an Anti-Corruption handbook is developed and



is intended to supplement to the rules and requirements set out in the Code of Conduct and the Anti-Corruption Policy. It is meant to provide practical information to Telenor employees on how to comply with Telenor's anti-corruption standards in their daily work.

All Telenor companies have a responsibility to ensure that concerns regarding corrupt conduct can easily and anonymously be reported without fear of retaliation. Remedial actions are to be implemented where corrupt conduct is substantiated.

Ambition targets and performance

Guided by the Code and high ethical standards Telenor's ambition is to continue upholding a zero-tolerance approach to bribery and corruption and avoid even the appearance of misconduct or improper actions.

The targets for 2024 are:

- Implement Telenor's revised Anti-corruption Policy in all Telenor companies;
- Strengthen Telenor's preventive anti-corruption programme in all subsidiaries, including relevant controls to properly mitigate corruption;
- Continue to improve Telenor's Anti-corruption governance across the group.

Ethical business			
	2021	2022	2023
Code of conduct training	100%	100%	100%

Going forward

To achieve the ambition of taking a zero-tolerance approach to bribery and corruption and avoiding even the appearance of misconduct or improper actions, Telenor functions will continue to work closely with the Telenor companies and their local compliance functions to improve their ability to identify and manage corruption risks.



Responsible tax practices

Telenor's approach

A crucial part of doing business responsibly is to have a responsible tax practice. Telenor is a significant tax contributor across the markets it operates in, as a direct taxpayer and by creating economic opportunities through access to connectivity and digital services. The company maintains a responsible tax policy and practices in line with applicable legislation in every jurisdiction of operation, and has reported country-by-country earnings, investments, taxation, and employment since 2014.

Telenor is continuously engaging with relevant tax authorities to ensure correct application of the tax rules and to assess impact of any new legislation. The company follows the terms of applicable Double Taxation Treaties, relevant OECD guidelines in dealing with transfer pricing and establishing taxable presence, and the Base Erosion and Profit Shifting initiatives. Telenor endorses transparency and fairness across the global tax system, exchange of financial information and concerted action to fight base erosion and profit shifting.

In the capacities of owner, employer, and taxpayer, the company contributes with tax revenue, employment, and investments. Contributing positively to societies is a key component in building trust in Telenor and creating a predictable and productive business environment. Together, these elements improve the company's value creation prospects.

In addition to employing over 11,000 people and constantly striving for high standards for responsible business throughout the supply chain, Telenor contributes to the financing of public domains through taxes borne as well as taxes collected. Total tax contributions are not only the taxes levied on the profit of the Telenor Group, but also takes into account further taxes. Activities that add value to the societies include positive financial impact through wage taxes, social contributions, and value-added taxes.

Country-by-country tax reporting

The table below specifies the most important elements of Telenor's direct economic contribution country-by-country. It includes Telenor's revenues, capital expenditure, EBITDA and the corporate income taxes paid in 2023. The table does not specify all taxes and fiscal levies, as only corporate income tax (CIT) is included.

NOK in millions						
	Revenues	Capex excl. leases	EBITDA	Profit before taxes	Corporate income tax (CIT)	Man-years per 31.12.2023
Norway	28 839	5 815	11 848	2 776	-963	3 985
Sweden	13 605	2 072	5 035	1 781	-386	1 640
Denmark	6 044	837	1 658	600	-104	925
Finland	12 182	1 696	4 499	1 712	-187	1 674
Thailand	1	0	-51	-7 756	-13	20
Bangladesh	15 296	1 944	9 376	5 226	-2 188	1 277
Pakistan	4 057	359	1 642	-990	-81	1 148
Other	429	6	-483	-2 897	-410	233
Telenor Group	80 452	12 731	33 524	1 097	-4 332	10 900

04

Corporate governance

Corporate governance in Telenor

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Corporate governance in Telenor

Effective corporate governance is a prerequisite for value creation, trust-building and securing access to capital. Over the years, the Board and Management have consistently worked to improve our corporate governance and systems to a value-adding differentiator for our operations and in the partnerships we enter into. As partnerships are a key part of Telenor's strategy, this focus will only grow in significance. A recent example was seen in the successful merger of entities in Thailand and Malaysia.

Principles and practices

Good corporate governance creates value

Corporate governance is maintained through a framework of rules and procedures by which Telenor Group governs and controls its business. Good corporate governance is reliant on a robust platform for this framework and on implementing the company's values in such a way as to create value for Telenor's stakeholders.

It is the role and responsibility of the Board to ensure that Telenor adheres to internationally recognised principles for effective control of the company's activities, and to provide the necessary guidelines for such activities and for corporate management. Telenor's principles and practices for corporate governance are subject to regular discussions and annual review by the Board. Furthermore, the Board also adheres to such standards in its own work and decision-making, thereby contributing to protect Telenor's reputation in relation to owners, employees, customers, the public and the capital market.

Key governing documents

Telenor's articles of association are the company's most important constitutional document and were last updated by the Annual General Meeting on 10 May 2023. Among other things it sets out the business activities in which Telenor is engaged:

"The object of the company is to engage in telecommunications and other related activities. These activities may be conducted by the company itself, by subsidiaries or through participation in other companies or in cooperation with others." The full text of articles of association is available on [telenor.com](https://www.telenor.com).

Telenor Group's Governing Principles describe the governance of Telenor Group, as well as key governing bodies in Telenor ASA, the interaction between Telenor ASA and the business areas and controlled and non-controlled entities, and core global processes including strategy, financial reporting, forecasting and reviews.

Telenor has developed group policies that set out mandatory requirements for compliance risk areas and other selected subject areas, including procedures to mitigate risks related to financial and non-financial reporting, as well as assess manage and mitigate tax, treasury and enterprise risks. They set out the fundamental standards and principles that all Telenor Companies must adhere to. Telenor's governing documents help ensure that all the employees carry out their activities in an ethical manner and in accordance with current legislation and Telenor standards.



Code of Conduct and Integrity Hotline

Implementing high ethical standards across Telenor Group continues to be a strong focus of the Board. Telenor's Code of Conduct is anchored in the core values and ethical principles and is fundamental to Telenor's corporate governance as it helps maintain a healthy corporate culture promoting ethical conduct. The Code of Conduct is owned and approved by the Board. All employees are required to complete an annually updated eLearning programme with dilemma training before signing the Code of Conduct. In 2023, the completion rate for this training amounted to 100 per cent.

Employees who become aware of any kind of infringement of the Code of Conduct are encouraged to report this to their leader or the Local or Group Chief Compliance Officer. Failure to do so may in itself constitute a breach of Telenor's Code of Conduct. Telenor has established an integrity hotline accessible across the Group. This service is accessible online and available 24 hours a day, seven days a week. It can accommodate reports in the local languages of all Telenor's markets. Any query or report will be treated confidentially and respectfully. Telenor does not allow reprisals of any kind against those who in good faith report an infringement or suspicion of an infringement.

Telenor has four behaviours that guide the way we work:

Always explore. We believe growth comes from learning every day. We are curious and dare to challenge, test and pivot.

Create together. We believe that diverse teams find better solutions. We seek different perspectives, we share, involve and help each other succeed.

Keep promises. We believe that trust is key in all our relationships. We take ownership and pride in delivering with precision and integrity.

Be respectful. We believe in the unique human ability to understand what matters for people. We meet everyone at eye level, listen and show that we care.

Continuous update and implementation

Management and the Board work continuously to improve the company's governance framework to ensure that the governing documents are fit for purpose and implemented in Telenor ASA and in all subsidiaries directly or indirectly controlled by Telenor ASA. Separately listed companies shall take due account of the requirements for listed companies in their relevant jurisdiction. For operations that are not controlled by Telenor, it is a requirement that the company operates within applicable rules and regulations and a risk-based governance framework consistent with recognised international standards. Ensuring such standards in the companies' governance framework was a particular focus when Telenor merged its telecom operations in Malaysia and Thailand in 2022 and 2023.

Basis for reporting

Reference to relevant laws and guidelines

Telenor ASA is a public limited liability company established under Norwegian law, with shares listed on the Oslo Stock Exchange (Oslo Børs). As an issuer of listed shares, Telenor complies with and operates in accordance with rules governing the Oslo Børs, including the at any time applicable Issuer Rules and Rule Books for Oslo Børs. Further, Telenor is subject to specific rules and regulations in all countries where the Telenor Group conducts business.

Telenor is reporting in line with applicable Norwegian laws and EU regulations. The financial statements for the group and the parent company are prepared according to IFRS® Accounting Standards as adopted by the EU and the additional requirements of the Norwegian Accounting Act. The Sustainability statements are prepared according to various reporting standards as described within the [General information](#) section of the Sustainability statements. Telenor is complying to the corporate governance principles and practices as required by the Accounting Act Section 3-3b and the Norwegian Code of Practice for Corporate Governance (Norwegian Code of Practice), including the latest edition of the Norwegian Code of Practice of 14 October 2021, available at nues.no.



The Board of Directors report in relation to the Norwegian Code of Practice

The Board is committed to maintaining a high standard of corporate governance across Telenor Group, in line with applicable Norwegian and international laws and internationally recognised standards, including the Norwegian Code of Practice.

The Board has accounted for how the company adheres to the Norwegian Code of Practice in this Annual report and an index of the Norwegian Code of Practice requirements and references to where in this report the information can be found is set out on below.

The Norwegian Code of Practice for Corporate Governance

	Chapter reference
1. Implementation and reporting on Corporate Governance	4. Corporate Governance/Corporate governance in Telenor/Principles and practices, page 96 4. Corporate Governance/Corporate governance in Telenor/Basis for reporting, page 97
2. Business	2. Strategy, Performance and Risks/Telenor's strategy, page 14 2. Strategy, Performance and Risks/Risk Management, page 31 3. Sustainability statements/General information/Sustainability governance, page 42 4. Corporate Governance/Corporate governance in Telenor/Principles and practices, page 96 4. Corporate Governance/The Board and governing bodies/The Board of Directors, page 101
3. Equity and dividends	5. Shareholder information/Telenor Shares/Equity, page 115 5. Shareholder information/Telenor Shares/Development of share capital, page 115 5. Shareholder information/Shareholders and dividends/ Dividend policy, page 113 5. Shareholder information/Shareholders and dividends/Proposed dividend for 2023, page 113
4. Equal treatment of shareholders	5. Shareholder information/Shareholders and dividends/Ownership, page 112 5. Shareholder information/Telenor Shares/Increase in share capital, page 115 5. Shareholder information/Telenor Shares/Transparency and equal treatment and classes of shares, page 115
5. Shares and negotiability	5. Shareholder information/ Telenor Shares/Transparency and equal treatment and classes of shares, page 115
6. General Meetings	4. Corporate Governance/The Board of Directors and governing bodies/The Annual General Meeting, page 104
7. Nomination Committee	4. Corporate Governance/The Board of Directors and governing bodies/The Nomination Committee, page 105
8. Board of Directors composition and independence	4. Corporate Governance/The Board and governing bodies/The Board of Directors, page 101 4. Corporate Governance/The Board and governing bodies/The Corporate Assembly, page 104
9. The work of the Board of Directors	4. Corporate Governance/The Board and governing bodies/The Board of Directors, page 101
10. Risk management and internal control	2. Strategy, Performance and Risks/Risk Management, page 31 4. Corporate Governance/The Board and governing bodies/The Board of Directors, page 101 4. Corporate Governance/The Executive Management, page 107
11. Compensation to the Corporate Assembly and the Board of Directors	4. Corporate Governance/Executive compensation, page 110
12. Compensation to the Group Leadership Team	4. Corporate Governance/Executive compensation, page 110
13. Information and communications	5. Shareholder information/Telenor Shares/Information and communication, page 116
14. Take-overs	5. Shareholder information/Take-overs, page 116
15. Auditor	4. Corporate governance/The Board of Directors and governing bodies/Auditor, page 106



Adherence to the Norwegian Code of Practice is based on a comply or explain principle, meaning that any deviations shall be justified and explained. This includes to explain what alternative solution the company has selected. To the Board's best assessment, Telenor has in total four deviations from the Norwegian Code of Practice. This includes one deviation from Section 3, two deviations from Section 6 and one from Section 14. Each deviation is explained below.

3. Equity and dividends

The Norwegian Code of Practice recommends that mandates granted to the board of directors to increase the company's share capital or to purchase own shares should be intended for a defined purpose and should be limited in time to no later than the date of the next annual general meeting. This is the ordinary practice of the Board. However, in the EGM held on 26 January 2023, the Board was granted authorisation to acquire own shares until 31 December 2023. The reason the authorisation was not limited in time until the next ordinary AGM was to allow sufficient time to acquire shares in accordance with the authorisation.

6. General Meetings

The Norwegian Code of Practice recommends that all Board members attend the AGM. Telenor has not deemed it necessary to require the presence of all Board members. The Chair of the Board, the Chair of the Nomination Committee and the Corporate Assembly, the President and CEO and other relevant members of management are present at the AGM.

The Norwegian Code of Practice recommends that the general meeting can elect an independent chair for the general meeting. Article 8 of the Articles of Association of Telenor ASA provides that the general meeting shall be chaired by the Chair of the Corporate Assembly.

14. Take overs

Any reduction in the ownership stake by the Norwegian state requires a special resolution from the Norwegian Parliament. For such reason, the Board has not adopted any guiding principles as recommended by the Norwegian Code of Practice, article 14, since the process in Parliament will safeguard the intentions set down in the NCGB principles. In the event of a take-over bid, the Board will comply with the NCGB principles.



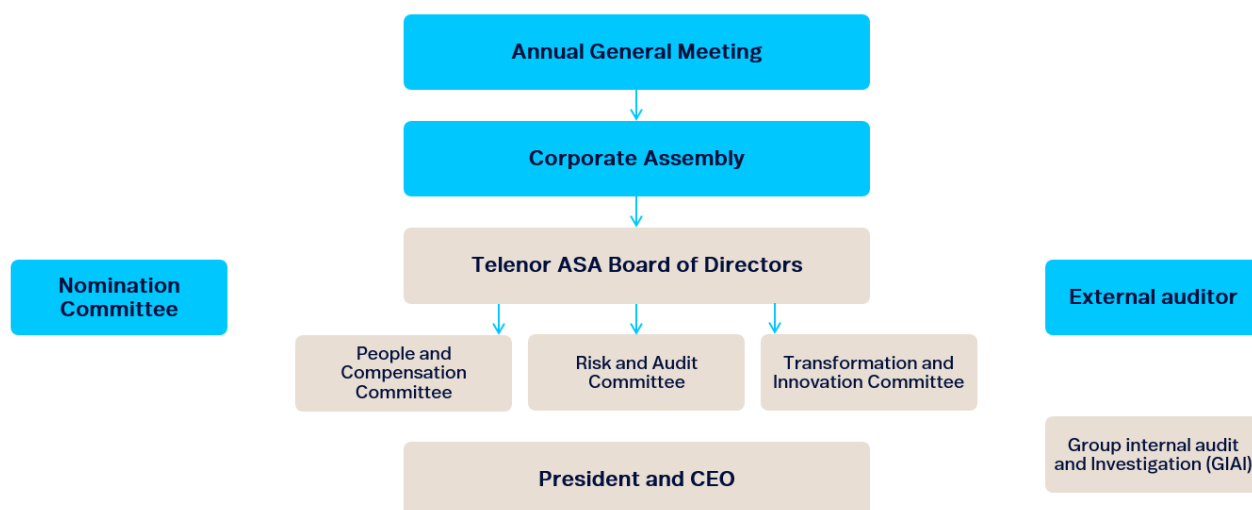
The Board and governing bodies

The Board of Telenor currently consist of ten members, of which four are women and six are men. The Board assumes the overall governance of the company, ensures that appropriate management and control systems are in place and supervises the day-to-day management. Telenor has also set up a number of other mandatory and voluntary committees and governing bodies, to ensure a high standard of corporate governance.

The overall structure

Telenor has a Corporate Assembly and a Board of Directors, as required by Norwegian law. The Corporate Assembly is a Norwegian body, regulated by the Public Limited Liability

Companies Act, Sections 6-35 to 6-40 and Telenor's Articles of Association Section 7. The Corporate Assembly has adopted instructions for the Corporate Assembly. The various committees, the Board of Directors and other governing bodies of Telenor are illustrated below:





The Board of Directors of Telenor



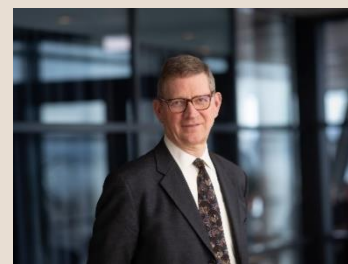
Jens Petter Olsen, Chair of the Board

[Link to CV](#)



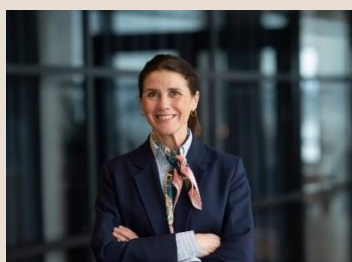
Gyrid Skalleberg Ingerø, Deputy Chair of the Board

[Link to CV](#)



Pieter Knook, Board member

[Link to CV](#)



Astrid Simonsen Joos, Board member

[Link to CV](#)



Nina Bjornstad, Board member

[Link to CV](#)



Jan Geldmacher, Board member

[Link to CV](#)



Ottar Ertzeid, Board member

[Link to CV](#)



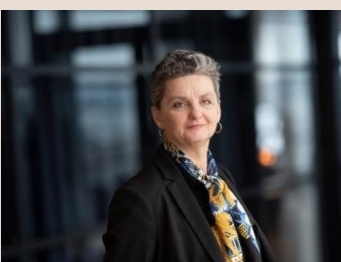
Sune Jakobsson, Employee-elected Board member

[Link to CV](#)



Esben Smistad, Employee-elected Board member

[Link to CV](#)



Irene Vold, Employee-elected Board member

[Link to CV](#)



Composition and independence of the Board

According to Telenor's Articles of Association Section 5, the Telenor ASA Board of Directors shall consist of a minimum of five and a maximum of 13 members. The members are elected for a term of up to two years. By 31 December 2023, the Board consisted of ten Board members, of which three were employee-elected members as required by Norwegian company law.

On 10 May 2023, the Corporate Assembly elected a new Chair of the Board of Directors and three new shareholder-elected members of the Board. The previous Chair of the Board of Directors and three shareholder-elected members stepped down.

The Board shall have a diverse composition and expertise tailored to meet the company's needs. There are four women and six men on the Board. Two of the Board members are non-Norwegian citizens. None of the Board members, other than the employee representatives, are employees of Telenor or carry out work for Telenor beyond the general duties connected to the engagement on the Board and its committees. Management is not represented on the Board, and all shareholder representatives on the Board are independent.

The members of the Board are encouraged to own shares in the company. An overview of their share ownership is available in the Executive Compensation report, which is available on [Telenor.com](https://www.telenor.com).

Role and responsibility of the Board

The Board is ultimately responsible for the management of the Telenor Group, for safeguarding proper governance and organisation of the business, as well as for supervising Telenor's business activities. Key responsibilities of the Board are oversight and control. Another key responsibility is making decisions on and granting authority to make decisions on issues, which, due to the nature of the business, are unusual, or of major significance to the company. The Board draws up the strategy and plans, frames and goals for the activities of Telenor, including financial as well as sustainability targets and ambitions.

The work of the Board

The Board keeps itself informed of Telenor's financial position and ensures that its activities, accounts, and asset management are subject to adequate control. In accordance with the new sustainability reporting requirements, based on the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive and the European Sustainability Reporting Standards (ESRS), the Board's attention and duty of care has increased regarding consequences of their decisions for sustainability matters, including human rights, climate change, and other environmental considerations, in the short, medium, and long term.

The Board ensures that Telenor has adequate internal controls with respect to the rules and regulations that apply to Telenor Group. The Board develops an annual plan for its work, with special emphasis on objectives, strategy, and implementation. The Board's yearly cycle includes to review, discuss and approve strategies, business plans and financial targets for the activities of Telenor Group. Telenor's strategy is described in the previous chapters of this report. Further, the Board initiates those examinations it finds

necessary for the performance of its duties and if demanded by one or more of the members of the Board.

The Board emphasises the importance of gaining valuable insights and being well informed on relevant areas, including operational, technological, regulatory and market developments. In 2023 the Board members travelled to Asia, visiting Telenor's subsidiary Grameenphone in Bangladesh, as well as the newly merged companies CelcomDigi and True Corporation in Kuala Lumpur and Bangkok, in which Telenor has minority ownership stakes.

Principles and instructions

The Board issues instructions for its own work as well as for the President and CEO, with particular emphasis on clear internal allocation of responsibilities and duties. The instructions set out how the Board shall supervise Telenor's day-to-day management and business in general. The Board evaluates the instructions for the Board and the instructions for the President and CEO annually.

Principles for managing conflicts of interest, and perceived conflicts of interest, are set out in Telenor's Code of Conduct, and are applicable to the Board members and all employees. The instructions for the Board contain rules disqualifying board members from participating in the processing and decision making of issues where the member, or a related party to the board member, have a conflict of interest. The Board has adopted procedures to secure awareness of conflict-of-interest issues, securing that Board members have a regular, open and transparent dialogue about any interest they may have, or be perceived to have.

The Board's responsibility and objective for internal control

Telenor prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The consolidated financial statements shall give a true and fair view of the Company's and Telenor Group's assets, liabilities, financial position, and results of operations.

Telenor ASA is a holding company and encompasses the Group Management, Corporate Functions, Research and Innovation and Group Treasury. The financial statements for Telenor ASA are prepared in accordance with the Norwegian Accounting Act section 3-9 and regulations regarding simplified application of IFRS issued by the Ministry of Finance on 7 February 2023. Financial Reporting Standards and accounting principles are further described in the notes to the financial statements of this Annual Report for 2023.

The main objective of internal controls over financial reporting (ICFR) is to enhance the completeness, validity and accuracy of the financial reporting process to reduce the risk of significant error or material misstatement.

Telenor has a strong focus on internal control, including oversight of ICFR. The Board has implemented a process to ensure that sufficient internal controls are in place in Telenor's financially significant business units worldwide. The Group Governing Principles define the key requirements and the expectations for the ICFR programme to be implemented in these business units. The Risk and Audit Committee (RAC) has delegated the ICFR programme



coordination and overseeing responsibility to Group Finance. The implementation of the ICFR programme in the financially significant business units is the responsibility of the local management. These business units provide quarterly and annual ICFR status reports to Group Finance.

Management conducts evaluations of the ICFR programme's effectiveness. These evaluations include identifying and appraising all material financial reporting risks, as well as ensuring that relevant controls to address these risks are implemented, executed, and tested periodically throughout the year. For controls that are not operationally effective, the potential impact and financial exposure on the consolidated financial statements are evaluated. Regular reviews are performed to identify the most relevant financial reporting risks and to improve Telenor's ICFR best practices. These reviews also ensure that identified risks are addressed by sufficient controls at all times. Twice a year, management reports the results of the evaluations of the ICFR programme back to the RAC.

The sustainability statements of the 2024 Annual Report will need to comply with EU's Corporate Sustainability Reporting Directive (CSRD) and associated European Sustainability Reporting Standards (ESRS). Telenor started a CSRD implementation project in 2023, and the company is currently working on closing the identified gaps. In 2024, the company will also focus on implementing and improving internal controls over sustainability reporting to ensure appropriate quality of the sustainability information. The RAC is supervising the sustainability reporting including relevant internal controls.

Related party transactions

In relation to its ordinary business, Telenor has regular transactions with related parties. Before approving any agreement with a related party, the Board shall assess whether the agreement is on arms' length terms and whether it would be appropriate to obtain a third-party valuation, as set out in the Board's instructions; cf. also the Public Limited Liability Companies Act, Sections 3-8 and 3-9. The same applies for the President and CEO, should the agreement fall under day-to-day management.

Agreements with related parties, including transactions with associated companies, are disclosed in [Note 36](#) of the financial statements for Telenor Group for 2023 in this Annual Report.

Board meetings in 2023

The Board shall normally hold eight Board meetings during the calendar year, but the minimum is set at four. Individual Board members and the President and CEO may, at any given time, request that a Board meeting be held to discuss specific matters. The minutes from the Board meetings are shared with selected members of management, the Head of Group Internal Audit and Investigations and Telenor's external Auditor.

The Board held nine Board meetings in 2023, out of which one was an extraordinary meeting. The Board meeting in

September was combined with a comprehensive five-day visit to Asia, where the Board visited the operations of Grameenphone in Bangladesh as well as the newly merged companies in Thailand and Malaysia. The attendance over the year at the Board meetings was 100 per cent. For the employee elected Board members, designated deputies are invited if a Board member is unable to attend a meeting.

Board self-assessment

The Board systematically evaluates its performance, activities, and expertise by undertaking a yearly self-assessment. External resources are used to facilitate the self-assessment and evaluation, as recommended by the Norwegian Code of Practice. The Board's self-assessment for 2023 has been reviewed in the Board meeting held on 5 February 2024.

The Directors' and officers' liability insurance

Telenor has purchased and maintains a directors' and officers' liability insurance. It covers pure financial loss resulting from a claim made against an insured person resulting from a wrongful act committed or allegedly committed in a position as a director or officer, member of the supervisory board or management board or an employee acting in a managerial or supervisory capacity. The liability is personal. The Board reviews the coverage of the insurance yearly to ensure its adequacy.

Working committees of the Board

The purpose of the committees

To help ensure thorough preparation of specific issues, the Board has appointed three preparatory working committees of the Board: The Risk and Audit Committee, the People and Compensation Committee and the Transformation and Innovation Committee.

The committees have no independent decision-making authority, except where expressly granted by the Board on a case-by-case basis or by law. The committees' roles are to prepare matters for consideration and/or decision by the Board. The committees report to the Board and all Board members have access to all working documents, including the minutes, from the committee meetings.

The Board evaluates the charters for the committees on a yearly basis. In light of the updated sustainability requirements, mentioned above, the Board decided to restructure the Board committees in 2023. In March, the Board resolved to discontinue the Sustainability and Compliance Committee and continue with the abovementioned three Board committees with revised charters, which were adopted in June 2023. In this process it was important to ensure that sustainability, compliance and governance topics would be handled by other committees and/or the full Board, and to ensure that the Risk and Audit Committee would be tasked with its legally required role for sustainability reporting.



The Risk and Audit Committee (RAC)

The RAC conducted seven meetings in 2023 with 97.1 per cent attendance. The committee members are: Ottar Ertzeid (Chair), Astrid Simonsen Joos (Member), Gyrid Ingerø (Member), Pieter Knook (Member) and Esben Smistad (Member).

The Risk and Audit Committee is a preparatory committee that supports the Board in fulfilling the Board's responsibilities with respect to financial and sustainability reporting, risk management, internal controls, and internal and external audit and assurance related to financial and sustainability reporting processes. Further, it is responsible for supervision of the internal audit and investigation function. The committee is established in accordance with the requirements of Audit Committees in the Norwegian Public Limited Liability Companies Act and the charter was updated in June 2023 to reflect the abovementioned new sustainability reporting requirements.

The People and Compensation Committee (PCC)

The PCC has conducted four meetings in 2023 with 100 per cent attendance. The committee members are: Jens Petter Olsen (Chair), Astrid Simonsen Joos (Member), Nina Bjornstad (Member) and Irene Vold (Member).

The People and Compensation Committee is a preparatory committee that supports the Board in fulfilling the Board's responsibilities related to people and compensation, including executive compensation, leadership, and culture development. The committee also supports the Board on succession planning. Changes were made to the committee charter in June 2023. The main change was to remove tasks regarding governance from the committee's mandate, which are now managed by the full Board.

The Transformation and Innovation Committee (TIC)

The TIC has conducted four meetings in 2023 with 100 per cent attendance. The committee members are: Pieter Knook (Chair), Jan Geldmacher (Member), Nina Bjornstad (Member) and Sune Jakobsson (Member).

The Transformation and Innovation Committee is a preparatory committee that supports the Board in fulfilling the Board's responsibilities with respect to innovation and technology development. This includes monitoring innovations and technology developments that may affect Telenor's business models, revenues, cost structures, customer experience, business performance and operating model, as well as to follow trends and technological development that is relevant for Telenor and to update the Board on this and monitoring brand and customer centric initiatives.

The Corporate Assembly

The purpose of the Corporate Assembly

The Corporate Assembly is primarily a supervisory body, which supervises the Board and the President and CEO's administration of the company. The Corporate Assembly elects the Board of Directors and the Chair of the Board and decides the Board's compensation. The General Meeting cannot influence, change, or reverse the Corporate Assembly's decisions regarding the elections.

Composition of the Corporate Assembly

The composition of the Corporate Assembly is determined with a view to ensure that it represents a broad cross-section of Telenor shareholders. The Corporate Assembly consists of 15 members and two observers, elected for a term of two years. Ten members and three deputies are elected by the General Meeting. Five members and two observers, with deputies, are elected by and from the employees pursuant to the rules in the regulations relating to the provisions of the Norwegian Public Limited Liability Companies Act concerning the employees' right to representation on the board of directors, corporate assembly, etc.

Activity in 2023

In 2023, the Corporate Assembly conducted three ordinary physical meetings, in line with the requirements set out in the instructions. The Chair of the Board and the President and CEO attended all meetings. The average attendance for members of the Corporate Assembly in 2023 was 84.31 per cent. Deputies have been invited when members have not been able to participate. Further information about the members of the Corporate Assembly is published on Telenor's corporate website.

Annual General Meeting (AGM)

The purpose of the AGM

The AGM is the company's supreme governing body. The General Meeting adopts Telenor's Articles of Association and serves as the main meeting place between shareholders, elected officers, and management. Telenor encourages all shareholders to exercise their rights by voting at the General Meeting. Notice of the meeting together with all relevant documents are published on Telenor's corporate website no later than 21 days prior to the date of the General Meeting. The notice includes voting procedures and instructions to shareholders wishing to propose resolutions.

Documents prior to AGM

To allow shareholders to form a view on all matters to be considered at the General Meeting, the draft resolutions and supporting information shall be detailed and comprehensive. According to the Articles of Association, documents relating to the items on the agenda, including documents that according to law shall be included in the notice, are not required to be sent to the shareholders if the documents are available on Telenor's corporate website. A shareholder may request, however, that such documents are sent to them. Shareholders can vote separately on each item of the agenda and on each candidate nominated for election to the company's bodies.



According to the Articles of Association, the AGM shall be held once a year before the end of June. The AGM shall deal with the following matters, as stipulated in the Articles, article 8:

- Approval of the financial statements and annual report, including distribution of dividends.
- Any other matters that shall be dealt with by the AGM by law or pursuant to the Articles of Association.

Attending the AGM

Shareholders who wish to attend the AGM must give prior notice to Telenor in accordance with the Board's decision. In 2023, the deadline was set to two days prior to the AGM for physical attendance, while online attendance did not require prior notice. At the AGM 2023, the shareholders approved updated Articles of Association, changing the deadline for shareholder's prior notice to two days prior to the AGM, as opposed to the previously stated deadline of five days prior to the AGM. The change was made to conform with updated Norwegian legislation.

Shareholders who do not attend may vote by proxy or in advance by paper votes or electronic means. The notice includes instructions on how to vote by proxy. The Board may provide guidelines for advance voting. Such guidelines shall be included in the notice.

The minutes of General Meetings, together with voting results, attendance, shareholder representation and pre-meeting documents are made available on Telenor's corporate website.

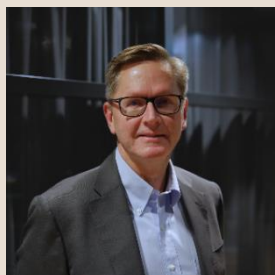
The AGM in 2023

The 2023 AGM of Telenor ASA was held on 10 May 2023 with the possibility for both electronic and physical attendance for shareholders. The AGM was chaired by the Chair of the Corporate Assembly in accordance with article 8 of the Articles. In addition to the Chair of the AGM, who is also Chair of the Corporate Assembly and the Nomination Committee, the Chair of the Board, the President and CEO, the Chief Financial Officer and the company's auditor attended the meeting in person.

Extraordinary General Meetings (EGM)

The Board, the Corporate Assembly or the Chair of the Corporate Assembly can convene an Extraordinary General Meeting (EGM). If the company's auditor or shareholders representing at least five per cent of the share capital request in writing that an EGM is convened to deal with a specific matter, the Board must ensure that an EGM is held within one month of when the request was submitted. An EGM was held on 26 January 2023, where the Board was granted authorisation to acquire own shares until 31 December 2023.

The Nomination Committee



Nils Bastiansen, Chair

Elected by the Annual General meeting 10 May 2023



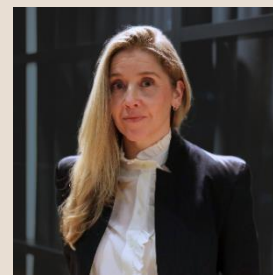
Jan Tore Føsund, member

Elected by the Annual General Meeting 7 May 2019, last re-elected 10 May 2023



Heidi Algarheim, member

Elected by the Annual General Meeting 11 May 2020, last re-elected 11 May 2022



Annette Hjertø, member

Elected by the Annual General meeting 10 May 2023

The members

The Nomination Committee of Telenor ASA is established and works pursuant to Telenor ASA's Articles of Association, Clause 9. The General Meeting has adopted instructions for the Nomination Committee.

Election process

The Nomination Committee consists of four members that shall be shareholders or representatives of shareholders and shall be independent of the Board and the Executive Management. The members are elected by the General Meeting. However, the Chair of the Corporate Assembly shall be elected as the Chair of the Nomination Committee. When appointing members to the Nomination Committee, the interest of the company and shareholders shall be taken into consideration. According to its instruction, the Nomination Committee shall take into account the Company's need for expertise, capacity and diversity when assessing candidates.

The work of the Nomination Committee

The Nomination Committee of Telenor nominates shareholder representatives to the Corporate Assembly and the Board, and proposes the compensation of these. In addition, the Nomination Committee makes recommendations to the General Meeting for the election and compensation of members of the Nomination Committee.

The Nomination Committee consults with shareholders, the Board, including every member of the Board individually, and executive personnel (and with members of the Corporate Assembly, where appropriate) as part of its work to monitor the composition of the Board, the Corporate Assembly, and the Nomination Committee. More information about the composition and background of the members of the Nomination Committee and how to submit proposals is available on Telenor's corporate website.



The General Meeting has adopted instructions for the Nomination Committee. The Nomination Committee held 29 meetings in 2023. Average attendance over the year at the Nomination Committee meetings was 98.28 per cent.

Auditor

Independence, pre-approval and audit fees

In accordance with Norwegian regulations, Telenor complies with all applicable requirements for oversight of the auditing and auditors, including the auditor's independence. Telenor has a pre-approval policy and procedures in place for the approval of non-audit services performed by the external auditor that have been established by the Board.

The external auditor provides the Risk and Audit Committee with an annual written confirmation of independence. The auditor presents to the Risk and Audit Committee, on a bi-annual basis, a summary of all services, in addition to the audit, provided by the external auditor. The auditor also presents any threats to their independence and documents measures implemented to reduce these, as required by the Audit and Auditors Act Section 5a-3 3.

At the General Meeting, the Board gives an account of the auditor's remuneration, divided into audit fees and other services as disclosed in the Annual Report.

In late 2023, Telenor initiated a process to replace its current external auditor, in line with the auditor rotation regulations in the European Union. The tender process is set to conclude

in order to have a new auditor in place for the annual report 2026.

Attendance at meetings and audit plan

The external auditor attends all meetings of the Risk and Audit Committee, the Board meeting that approves the Annual Report and other meetings on request. The external auditor presents the result of the audit to the Risk and Audit Committee and the Board in the meeting approving the Annual Report, including presentation of any material changes to the company's accounting principles and significant accounting estimates, and reports material matters in which there have been disagreement between the auditor and Telenor's Management, if any.

The Company's external auditor presents the main features of the plan for the execution of the audit to the Risk and Audit Committee and reports interim and final results of the external auditor's work to the Risk and Audit Committee.

Monitoring of internal control weaknesses

Each year the auditor presents any identified internal control weaknesses and improvement opportunities to the Risk and Audit Committee and the Board. The external auditor meets with the Risk and Audit Committee and the Board at least once annually. Such meetings take place without any presence from the President and CEO or any other member of management.



The Executive Management

In Telenor, competence, expertise and diversity based on for example gender and cultural background are important factors when selecting candidates to leadership positions. Telenor has a number of internal units with various roles within corporate governance to ensure established policies and principles are followed.

The Telenor management

Group Leadership Team (GLT)

The GLT of Telenor ASA is an advisory management body for the President and CEO. The team consists of the President and CEO, the Executive Vice Presidents (EVPs) for Headquarters and the four business areas. The GLT members report to the President and CEO. Experience, competence, and diversity (gender balance, cultural backgrounds, etc.) are important factors for the selection of candidates to EVP positions. The President and CEO has also established an advisory management body comprising of the HQ EVPs, the Group Management Team, for topics related to the headquarter functions.

The Group President and Chief Executive Officer (President and CEO)

The Board appoints, and provides instructions for governance to, the President and CEO. The President and CEO oversees the day-to-day management of Telenor ASA, ensuring its organisation, management and development align with applicable laws, Telenor's Articles of Association and decisions ratified by the Board, the Corporate Assembly and the General Meeting. The President and CEO's terms of

employment are decided upon by the Board based on recommendations by the People and Compensation Committee.

The instructions to the President and CEO further cover the management of the Telenor Group, its subsidiaries, ownership interests and other companies in the Telenor Group, financial reporting, the power of attorney, submission of proposals for decisions for the Board and responsibilities for reporting to the Board. Reporting procedures are set up to ensure that the Board receives accurate, relevant and timely information that is sufficient for the Board to carry out its tasks.

Management has organised its work through a number of governing bodies, and established a number of functions, necessary for ensuring good governance, compliance and risk control.



Telenor Group Leadership Team



Sigve Brekke, President
and Chief Executive
Officer

[Link to CV](#)



Tone Hegland Bachke,
EVP and Chief Financial
Officer

[Link to CV](#)



Amol Phadke, EVP and
Chief Technology Officer

[Link to CV](#)



Rita Skjærvik, EVP and
Chief People,
Sustainability and External
Relations Officer

[Link to CV](#)



Dan Ouchterlony, EVP and
Head of Telenor Amp

[Link to CV](#)



Petter-Børre Furberg, EVP
and Head of Telenor Asia

[Link to CV](#)



Jørgen C. Arentz Rostrup,
EVP and Head of Telenor
Nordics

[Link to CV](#)



Jannicke Hilland, EVP and
Head of Telenor
Infrastructure

[Link to CV](#)

Other governance committees, functions and activities

The Chief Compliance Officer and the Compliance function

Telenor has established a compliance function (Group Compliance) to support the President and CEO and the Board in executing Telenor Group's strategic owner role with the following objectives:

- Uphold and continually advance Telenor Group's high standards for Governance and Compliance
- Ensure that Telenor's governance framework addresses group-wide Compliance Risks and requirements
- Follow up that Compliance Risks are managed effectively in Telenor Group

The Chief Compliance Officer (CCO) oversees Group Compliance and is responsible for the Compliance function's fulfilment of its role and responsibilities. The CCO reports to the EVP for People Sustainability and External Relations and maintains a direct reporting line to the President and CEO. Additionally, the CCO participates in Board meetings as relevant, and at least twice a year. Governance and Compliance in Telenor's operations in Asia is delegated and managed by a local separate second line compliance function at the Telenor Asia office in Singapore.

The overall accountability is still with HQ. To provide Telenor ASA with sufficient information, including monitoring of policy implementation in the Telenor Asia business area, Group Compliance regularly interacts directly with Asia Compliance. The Group Management Team serves as Telenor's Compliance Committee.

Group Internal Audit and Investigation (GIAI)

Group Internal Audit and Investigation (GIAI) is an independent investigation unit, creating business value through independent fact-based assessments to improve the operations of Telenor. The Head of GIAI reports to the Board through the Risk and Audit Committee. GIAI is a global function, empowered to perform engagements in Telenor ASA and any subsidiary in which Telenor ASA, directly or indirectly, owns more than 50 per cent of the voting shares, or the power of control is possessed and exercised by or on behalf of Telenor ASA.

Group Investment Committee (GIC)

The Group Investment Committee (GIC) provides recommendations to the President and CEO and other approval bodies regarding investments and other financial commitments above a certain threshold or deemed to be of special interest or principle in nature. GIC is chaired by the Group CFO and consists of members possessing relevant expertise in the field.



GIC secures agreement on the decision process and strategic alignment of proposals and ensures quality and completeness of assessments and standards for business cases and risks. Furthermore, the committee performs post-investment evaluations and promotes knowledge sharing.

The Disclosure Committee

The Disclosure Committee supports the company's work of meeting the requirements for external financial reporting. The Disclosure Committee meets and reviews the quarterly and annual reports of the Telenor Group and ensures that external reporting requirements are met. The Committee is chaired by the Group CFO and includes relevant members of the Group Finance management team and Head of Group Legal and Head of Group Communications.

Group Treasury

To ensure overall management, mitigation and control of the group's treasury activities, the company has established Group Treasury as a central corporate function. The Group Treasury function and responsibilities are defined in accordance with its mandate specified in the treasury section of the Group Policy Finance. Group Treasury is part of Group Finance and reports to the Group CFO.

The purpose of the treasury policy requirements is to mitigate treasury risks in Telenor Group and to enable efficient management of treasury activities. It also provides an overall framework for the management of treasury risks

including liquidity risk, financial counterparty credit risk, currency risk and interest rate risk.

Further, the treasury section within the Group Policy Finance outlines the main principles related to capital structure, funding, cash management, bank relationship management, treasury risk management, issuance of guarantees and treasury reporting requirements.

Business Area Meetings and Financial Reviews

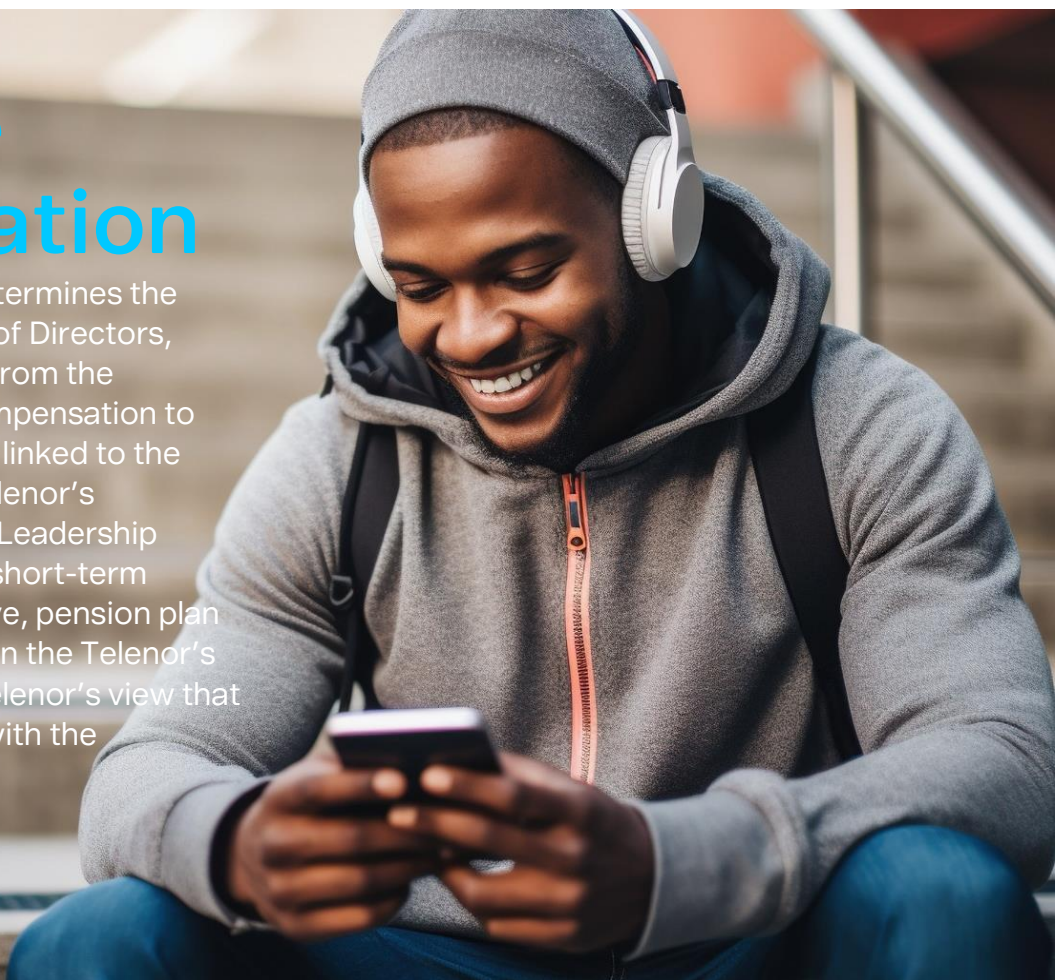
Business Area Meetings are normally held with the business areas (Telenor Nordics, Telenor Asia, Telenor Infrastructure and Telenor Amp) between nine and 12 times a year and are chaired by the President and CEO. The primary objective of the Business Area Meetings is to regularly address critical strategic, operational and financial/non-financial matters, as also encompassing areas like people, compliance and regulatory, and actions required to reach defined milestones or ambitions.

The Financial Review meetings are held with the business areas and key business units on a quarterly basis and is chaired by the Group CFO. The main purpose of the Financial Review is to review the business unit's financial performance, internal control, development of risks and regulatory issues as well as forecasted financial performance for the coming quarters.



Executive compensation

The Corporate Assembly determines the compensation to the Board of Directors, based on recommendation from the Nomination Committee. Compensation to the Board of Directors is not linked to the company's performance. Telenor's compensation to the Group Leadership Team consists of base pay, short-term incentive, long-term incentive, pension plan and benefits, as referenced in the Telenor's Compensation Policy. It is Telenor's view that the compensation is in line with the Norwegian state guidelines.



Compensation to the Board and Corporate Assembly

All aspects of compensation to the Board of Directors and the Corporate Assembly are captured in Telenor Group's Executive Compensation Report for 2023 ("Compensation Report"), which is published as a separate document, available on [Telenor.com](https://www.telenor.com).

Compensation to the Group Leadership Team

The Board of Directors' policy for compensation of GLT ("Compensation Policy") was approved by the AGM on 10 May 2023. For minutes of the AGM in 2023, please see [Telenor.com](https://www.telenor.com). It is the Board's assessment that the implementation is aligned with the compensation policy and the Norwegian state guidelines. The Compensation Policy is defined to enable Telenor to attract, engage and retain executives to deliver on the business strategy and contribute to the long-term interests and sustainability of Telenor Group. The compensation policy will be subject to approval by the Annual General Meeting when there is a material change and at least every fourth year in accordance with the Norwegian Public Limited Liability Companies Act, section 6-16a and supplementing regulations.

Detailed information concerning compensation to the President and CEO and the GLT is presented in the Compensation Report.

Shareholder information

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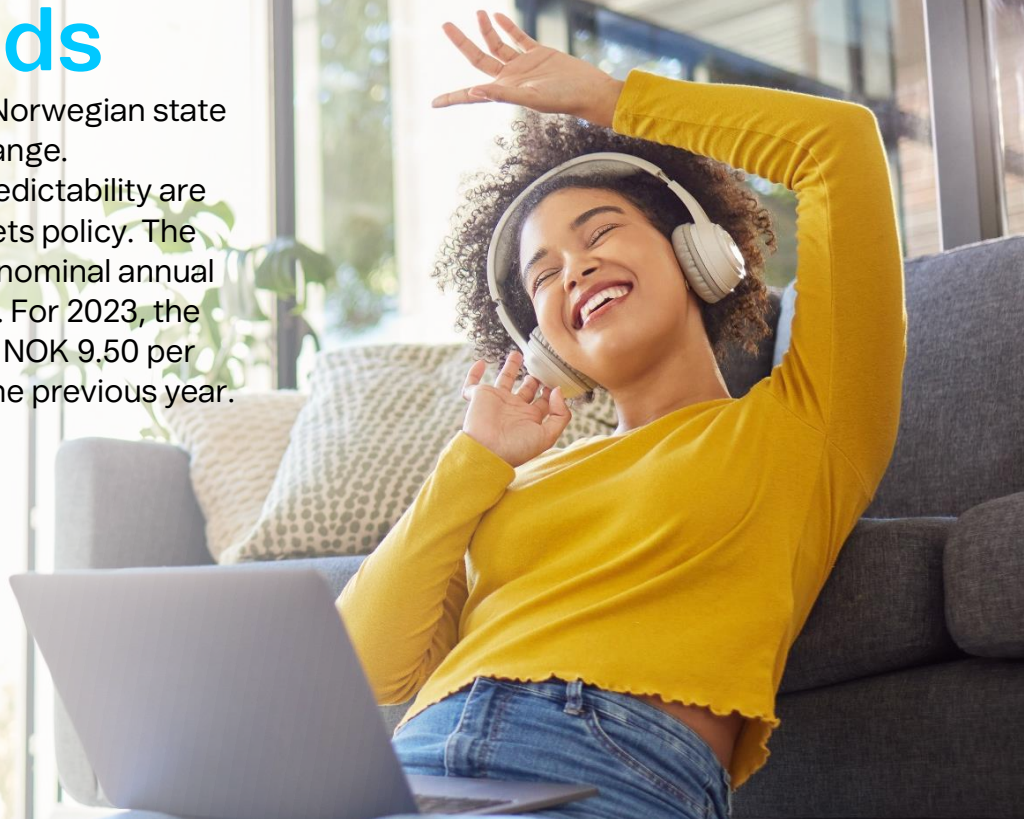




Shareholders and dividends

Telenor is majority owned by the Norwegian state and listed on the Oslo Stock Exchange.

Shareholder remuneration and predictability are central tenets of our capital markets policy. The company has a dividend policy of nominal annual increase in the dividend per share. For 2023, the Board has proposed a dividend of NOK 9.50 per share, compared to NOK 9.40 in the previous year.



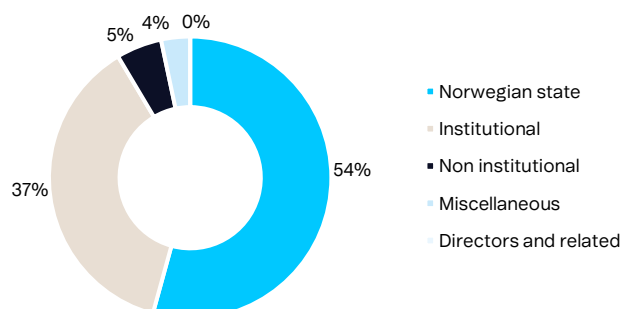
Ownership

The Norwegian state is the main shareholder in Telenor, with a holding of 53.97 per cent of the Telenor shares as of 31 December 2023. The Ministry of Trade, Industry and Fisheries manage the ownership interest. The Norwegian state emphasises that partly state-owned companies should comply with principles for good corporate governance. The state's active exercising of its ownership policy is governed by the Norwegian legislation for companies and by accepted principles for exercising good ownership. As a result, the Board is responsible for evaluating the expectations that the shareholders and others have towards the company, and for

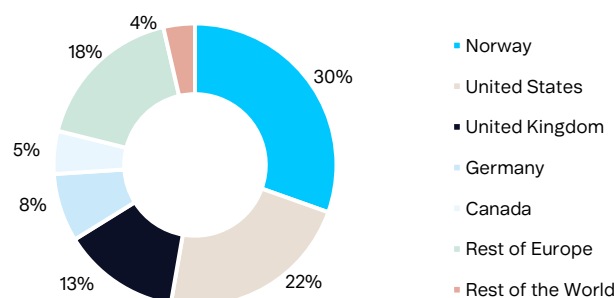
accomplishing the commercial targets which the Board deems appropriate. The State's rationale for ownership in Telenor is to maintain a leading telecommunications company with head office functions in Norway, and to have control of communications infrastructure that is critical to society. More information about administration of the Norwegian state's ownership interests and the Government's Ownership Policies can be found on the Government's webpages.

Other shareholders include the state-owned Government Pension Fund Norway (Folketrygdfondet, 4 per cent), other institutional owners (33 per cent) and retail investors (5 per cent).

Total shareholder composition



Institutional shares by geography





Largers shareholders			
Rank	Name	% ISC	ORD
1 (1)	State of Norway	54.0%	755 220 420
2 (2)	Folketrygdfondet	4.4%	60 444 622
3 (3)	DNB Asset Management AS	2.0%	27 416 448
4 (5)	The Vanguard Group, Inc.	1.7%	23 323 542
5 (4)	BlackRock Institutional Trust Company, N.A.	1.6%	21 916 647
6 (6)	DWS Investment GmbH	1.5%	21 164 711
7 (7)	Storebrand Kapitalforvaltning AS	1.4%	19 314 363
8 (8)	Caisse de Depot et Placement du Quebec	1.2%	16 231 737
9 (9)	KLP Fondsforvaltning AS	1.0%	14 198 576
10 (10)	BlackRock Advisors (UK) Limited	0.8%	10 748 839
11 (11)	Pyrford International Limited	0.7%	9 847 241
12 (12)	State Street Global Advisors (US)	0.6%	8 850 805
13 (13)	Handelsbanken Kapitalförvaltning AB	0.6%	8 015 203
14 (15)	Nordea Funds Oy	0.5%	7 606 489
15 (28)	Danske Bank Asset Management	0.5%	7 382 402
16 (17)	Danske Invest Asset Management AS	0.5%	7 043 749
17 (14)	Union Investment Luxembourg S.A.	0.5%	6 815 660
18 (19)	Acadian Asset Management LLC	0.5%	6 588 179
19 (16)	Legal & General Investment Management Ltd.	0.5%	6 422 025
20 (26)	Alfred Berg Kapitalforvaltning AS	0.5%	6 271 416

Dividend policy

The Board has established a dividend policy that forms the basis for the proposals on dividend payments presented to the General Meeting. The Board believes that it is in the best interest of Telenor to draw up a long-term and predictable dividend policy. This corresponds with the objective of providing its shareholders with a return on their investments at least equal to alternative investments with similar risk profiles. Such a return should come in the form of cash dividends and/or share buyback if applicable, and increased share value.

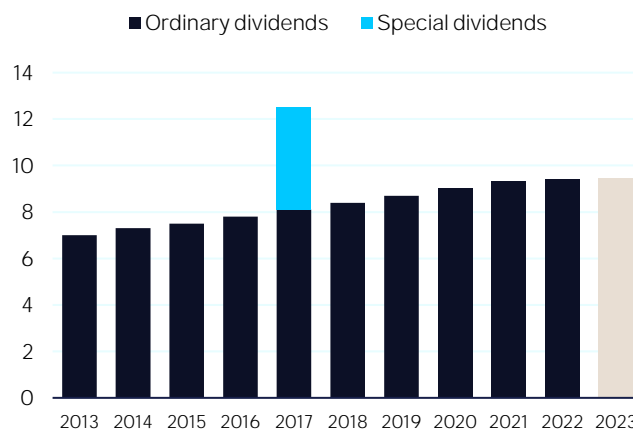
Telenor's dividend policy is to aim for year-on-year growth in ordinary dividends per share. Telenor pays semi-annual dividends. In addition, acquisition of treasury shares and/or extraordinary dividends will be evaluated on a case-by-case basis. The Public Limited Companies Act provides for dividend payments to be resolved by the Board pursuant to authorisation from the General Meeting. Such authorisation may only be provided until the next ordinary AGM and dividends may only be resolved based on the company's latest approved annual accounts.

Proposed dividend for 2023

The General Meeting, following the proposal from the Board, adopts a resolution on the distribution of the dividend. The AGM on 10 May 2023 approved an ordinary dividend of in

total NOK 9.40 per share, representing an increase of one per cent per share over the previous year.

The Board will propose a total dividend of NOK 9.50 per share for the financial year 2023 to the AGM in May 2024. The dividend will be split into two tranches of NOK 5.00 and NOK 4.50 per share to be paid in May and October 2024, respectively. The two tranches will have separate ex. dividend and record dates. The proposed dividend per share is one per cent higher than the dividend per share paid out in 2023.





The Telenor shares

Telenor's shares are listed on the Oslo Stock Exchange. Transparency and equal treatment of shareholders along with accurate and transparent investor communication are important principles for us. While having one class of shares and one stock-exchange listing, it is also possible to trade American Depositary Receipts in the US on OTC QX.

Stock Exchange listing and overseas trading options

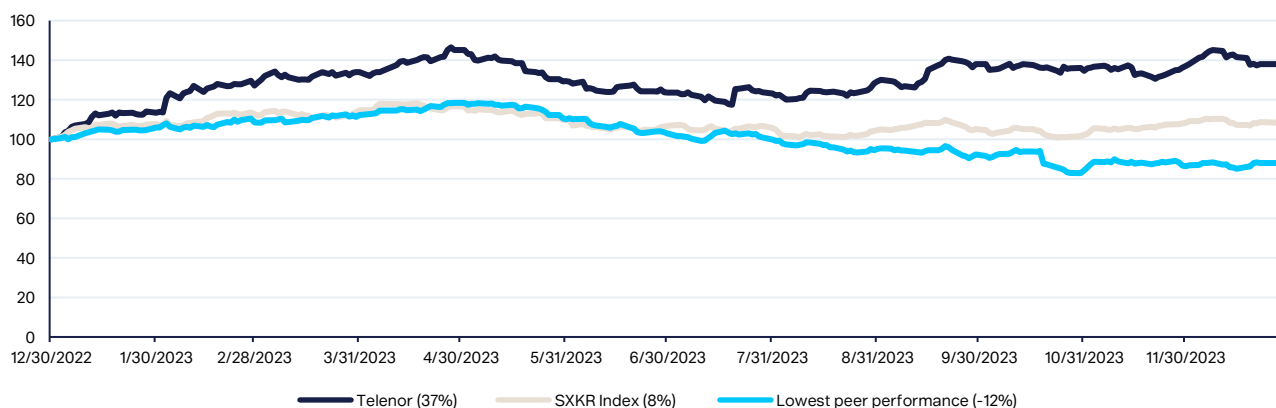
On 4 December 2000, Telenor was listed on the Oslo Stock Exchange (Oslo Børs) and the Nasdaq in New York. In what was then the largest ever IPO in Norway, Telenor offered more than 372 million shares for sale, with an opening price of NOK 42. Following the IPO, the ownership of the Norwegian government in Telenor was 79 per cent. Telenor gained 55,000 new shareholders, of which 53,000 were private, and the majority Norwegian. Today, Telenor is still listed on the Oslo Stock Exchange (delisted from the Nasdaq in 2007) and the shares are freely negotiable.

In addition to this, overseas investors have the opportunity to trade the shares within in the form of American

Depositary Receipts (ADRs) on OTC Markets, a regulated US market place. In September 2023, Telenor upgraded its trading to OTC QX, which is the top tier of this market place. This ensures improved visibility for Telenor in the overseas market and the best possible standards, accessibility and liquidity for US-based investors that prefer to trade Telenor stock as USD-quoted securities during US trading hours.

Share price performance in 2023

The graph below shows how Telenor's share price, including return from dividends, has performed relative to peers and the overall telecom sector in Europe during 2023. The dividend-adjusted return for Telenor was 37 per cent compared to the sector index return of 9 per cent.



Note: Source: Bloomberg. Peer sample: Telia, Tele2, Elisa, KPN, Vodafone, BT, Deutsche Telekom, Telefónica, and Orange



Development of share capital in 2023

Shares in issue	
Number of shares issued as of 2023	1 399 458 033
Own shares, as of 2023	14 411 760
Hereof re-purchased shares	14 320 524
Share outstanding as of 2023 (excl. own shares)	1 385 046 273
Proposed shares issued after 2024 AGM and cancellation of re-purchased shares	1 368 349 989

The share capital of Telenor is stated in the Articles of Association, Clause 4. The company's share capital at year-end 2023 is NOK 8,396,748,198 divided into 1,399,458,033 shares, each with a par value of NOK 6.00.

During the third week of January 2023, 772,769 own shares were acquired according to the authorisation from the AGM in 2022, to meet obligations in accordance with the company's Long-Term Incentive (LTI) plan for executive management and in connection with Telenor's general share plan (ESP) for employees. In the first quarter of 2023, a total of 319,943 shares were distributed to employees according to this authorisation.

At an EGM on 26 January 2023, the Board was granted an authorisation to acquire up to 47,000,000 own shares with a nominal value of a total of NOK 282,000,000, which corresponds to approximately 3.4 per cent of the company's share capital. The authorisation was limited to a maximum of NOK 4.3 billion and was valid until 31 December 2023. The purpose of the buyback authorisation was to compensate for the minority leakage created by the sale of 30 per cent of the shareholding in the Norwegian fibre business. On 20 April 2023, Telenor finalised the open-market repurchase portion of the buyback programme. The total programme comprises 31,108,044 shares, of which 14,320,524 shares were repurchased in the market. The remaining 16,787,520 shares will be purchased from the Norwegian state through the Ministry of Trade, Industry and Fisheries in the second quarter of 2024, thus keeping the Ministry's ownership interest in Telenor of 53.97 per cent unchanged. The Board intends to submit a proposal to the AGM on 7 May 2024 for a decrease of the share capital by cancellation of repurchased own shares and redemption of shares held by the Norwegian State, and a decrease of other reserves (No: 'annen egenkapital').

At the AGM on 10 May 2023, the Board was given authorisation according to section 9-4 of the Public Limited Liability Companies Act to acquire up to 10,000,000 of its own shares with a nominal value of a total of NOK 60,000,000, which corresponds to approximately 0.7 per cent of the company's share capital. The authorisation was given to cover the fulfilment of the company's obligations in accordance with the company's Long-Term Incentive plan (LTI) for executive management and in connection with Telenor's general share plan (ESP) for employees. As per 31 December 2023, a total of 362,182 shares had been distributed to employees according to this authorisation.

Increase in share capital

Telenor practices the principle that any decision to waive the pre-emption rights of existing shareholders to subscribe for shares in the event of an increase in share capital should be justified. Where the Board resolves to carry out an increase in share capital and waive the pre-emption rights of existing shareholders based on a mandate granted to the Board, the justification should be publicly disclosed in a stock exchange announcement issued in connection with the increase in share capital.

Equity

Telenor regards its consolidated equity to be at an appropriate level considering the company's objectives, strategy, and risk profile. Telenor's objective is to create value for its owners and stakeholders and involves a continuous focus on ensuring that the company's equity is adapted to the company's objectives, strategy, and risk profile.

Purchase of treasury shares

The General Meeting may authorise the Board to purchase treasury shares. Pursuant to such authorisations given to the Board, the Board has been free to decide if and how the acquisition of shares shall take place within the framework of applicable law and shall ensure compliance with general principles of equal treatment of shareholders. All buy backs have been made in marketplaces where the Telenor share is traded at prevailing market price.

Transparency and equal treatment and classes of shares

The Board endorses the principles of transparency and equal treatment of all shareholders. Telenor has one class of shares, and each share equals one vote at the General Meeting. The shares have no trading restrictions in the form of Board consent or ownership limitations. The Articles of Association of Telenor ASA contain no restrictions on negotiability or voting rights and all shares have equal rights.



Information and communication

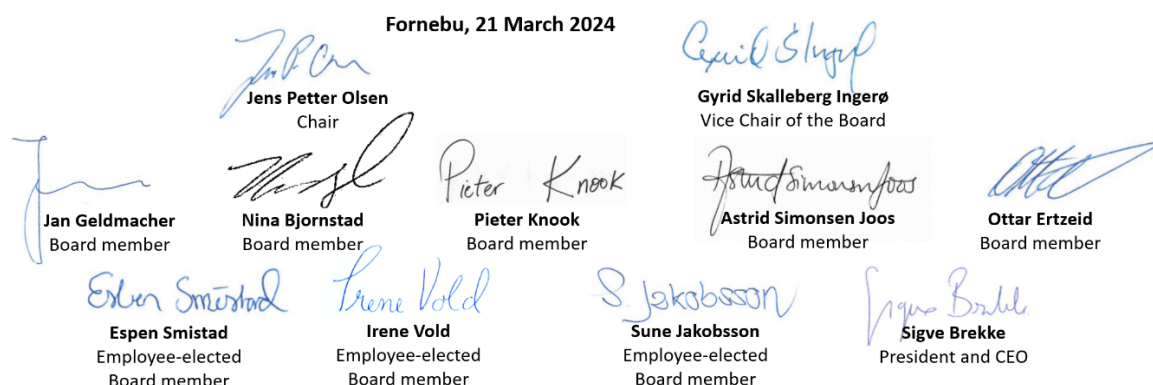
Timely and accurate information from Telenor shall help shareholders and other investors make informed decisions relating to the purchase and sale of the company's shares, based on equal access to information.

The Board provides guidelines on the company's reporting of financial and other information based on openness and transparency, and in accordance with requirements relating to equal treatment of all participants in the securities market. Each year, Telenor announces the dates of important events, such as the AGM, the publication of interim reports, public presentations, and the payment date of any dividends.

Information sent to the company's shareholders is made available on the Telenor website at the same time as it is sent to the shareholders. The Investor Relations function at Telenor ensures that contact with the company's shareholders is maintained outside the General Meeting; see Telenor's corporate website.

Take-overs

Any reduction of the Norwegian State's stake in Telenor requires a special resolution from the Norwegian Parliament. For such reason, the Board has not adopted any guiding principles as recommended by the NCGB Code of Practice since the process in Parliament will safeguard the intentions set down in the NCGB principles. In the event of a take-over bid, the Board will comply with the NCGB principles.



LEGAL DISCLAIMER

This report contains certain forward-looking statements that reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future and are beyond Telenor's control and thereby difficult to predict.

Although we believe that the expectations reflected in such forward-looking statements are reasonable, we cannot assure you that future results will meet these expectations. You should not place undue reliance on these forward-looking statements since actual results could differ materially from those anticipated in these forward-looking statements for many reasons. Telenor does not assume any responsibility for the accuracy and completeness of any forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made. Unless required by law, we will not necessarily update any of these statements.



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Medlemmer av Den norske Revisorforening

INDEPENDENT ACCOUNTANT'S ASSURANCE REPORT

To the board of directors in Telenor ASA

Scope

We have been engaged by Telenor ASA to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Telenor ASA's sustainability reporting as defined and specified in the Telenor ASA's GRI Index and SASB-report (publicly available at <https://www.telenor.com/sustainability/reporting-our-performance/reporting-and-verification/> (the "Subject Matter") as for the year ended 31 December 2023.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the 2023 Annual report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Telenor ASA

In preparing the Subject Matter, Telenor ASA applied the relevant criteria from the Global Reporting Initiative (GRI) sustainability reporting standards and Sustainability Accounting Standards Board (SASB) sustainability reporting standards (the "Criteria"). The Criteria can be accessed at globalreporting.org and sasb.org and are available to the public. Such Criteria were specifically designed for companies and other organizations that want to report their sustainability impacts in a consistent and credible way. As a result, the Subject Matter information will not be suitable for another purpose.

Telenor ASA's responsibilities

The Board of Directors and President and Chief Executive Officer (management) are responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements *Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)'). This standard requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our Independence and Quality Control

We are independent of the Company and the Group 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.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained if a reasonable assurance engagement had been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Interviews with key personnel to understand the Company's reporting process for collecting information, collating and reporting the Subject Matter during the reporting period
- Test on a sample basis the calculation Criteria against the methodologies outlined in the Criteria
- Analysis of the Subject Matter data
- Comparison, on a sample basis, of Subject Matter data against supporting documentation
- Comparison of the presentation of the Subject Matter with the presentation requirements outlined in the Criteria.

We believe that our procedures provide us with an adequate basis for our conclusion. We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as for the year ended 31 December 2023 in order for it to be in accordance with the Criteria.

Oslo, 21 March 2024
ERNST & YOUNG AS

Anders Gøbel
State Authorised Public Accountant

(This translation from Norwegian has been prepared for information purposes only.)

Independent accountant's assurance report - Telenor ASA 2023

A member firm of Ernst & Young Global Limited

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Consolidated Income Statement

Telenor Group 1 January – 31 December

NOK in millions, except earnings per share

Note

2023

2022

Revenues	3	80 452	76 877
Cost of materials and traffic charges	4	(19 056)	(17 819)
Salaries and personnel costs	5	(9 986)	(9 281)
Other operating expenses	6	(16 846)	(15 948)
Other income	8	85	1 945
Other expenses	8	(1 125)	(1 016)
EBITDA		33 524	34 758
Depreciation and amortisation	15, 16, 17	(16 535)	(17 114)
Impairment losses	15, 16, 17, 18	(25)	(2 502)
Operating profit		16 964	15 143
Share of net income (loss) from associated companies and joint ventures	35	(631)	(230)
Impairments and gain (loss) on disposal of associated companies and joint ventures	35	(7 835)	(71)
Net income (loss) from associated companies and joint ventures		(8 466)	(301)
Financial income	9	1 062	392
Financial expenses	9	(4 264)	(2 901)
Net currency gains (losses)	9	(3 049)	(3 386)
Other changes	9	(1 149)	391
Net financial income (expenses)		(7 400)	(5 503)
Profit before taxes		1 097	9 339
Income taxes	10	(4 332)	3 009
Profit from continuing operations		(3 235)	12 348
Profit (loss) from discontinued operations	12	18 615	35 230
Net income		15 380	47 578
Net income attributable to:			
Non-controlling interests		1 646	2 665
Equity holders of Telenor ASA		13 734	44 913
Earnings per share in NOK:			
Basic/diluted from continuing operations	11	(3.53)	7.84
Basic/diluted from discontinued operations	11	13.43	24.25
Basic/diluted from total operations	11	9.90	32.09



Consolidated Statement of Comprehensive Income

Telenor Group 1 January – 31 December

NOK in millions	Note	2023	2022
Net income		15 380	47 578
Other comprehensive income (loss)			
Translation differences on net investment in foreign operations	28	2 367	1 806
Amount reclassified from other comprehensive income to income statement on disposals	28	(4 031)	370
Net gain (loss) on hedge of net investment	28, 31	(2 444)	(1 402)
Income tax on net investment hedge		538	308
Amount reclassified from other comprehensive income to income statement on disposal	28	889	233
Share of other comprehensive income (loss) of associated companies and joint ventures		(95)	46
Items that may be reclassified subsequently to income statement		(2 776)	1 362
Net gain (loss) on equity investments	28	(2)	157
Remeasurement of defined benefit pension plans	28, 21	534	661
Income taxes on pension remeasurement		(124)	(138)
Items that will not be reclassified to income statement		408	680
Other comprehensive income (loss), net of taxes		(2 368)	2 041
Total comprehensive income (loss)		13 012	49 619
Total comprehensive income (loss) attributable to:			
Non-controlling interests		1 641	2 780
Equity holders of Telenor ASA		11 372	46 840



Consolidated Statement of Financial Position

Telenor Group as of 31 December

NOK in millions	Note	2023	2022
ASSETS			
Deferred tax assets	10	4 306	5 536
Goodwill	14, 18	25 232	27 334
Intangible assets	15	9 279	9 689
Right-of-use assets	16	25 831	45 686
Property, plant and equipment	17	51 631	65 659
Associated companies and joint ventures	35	50 942	39 686
Contract costs and prepaid costs	26	4 709	4 212
Other non-current financial assets	27	6 692	9 264
Total non-current assets		178 621	207 067
Prepaid taxes		434	1 491
Inventories		955	1 559
Trade and other receivables	19	15 524	18 842
Other current financial assets	27	1 651	361
Assets classified as held for sale	12	1 635	-
Cash and cash equivalents	20	19 556	9 929
Total current assets		39 756	32 182
Total assets		218 376	239 249
EQUITY AND LIABILITIES			
Equity attributable to equity holders of Telenor ASA	28	64 483	60 139
Non-controlling interests	28	5 951	4 237
Total equity		70 434	64 375
Liabilities			
Non-current lease liabilities	29	13 201	24 417
Non-current interest-bearing liabilities	30	75 686	82 724
Non-current non-interest-bearing liabilities	27	1 323	1 772
Deferred tax liabilities	10	3 379	3 639
Pension obligations	21	1 821	1 919
Provisions and obligations	22	6 543	6 627
Total non-current liabilities		101 952	121 097
Current lease liabilities	29	4 107	6 674
Current interest-bearing liabilities	30	11 789	9 169
Trade and other payables	24	21 108	28 227
Current tax payables		2 082	2 487
Current non-interest-bearing liabilities	27	1 921	1 694
Provisions and obligations	22	709	791
Liabilities classified as held for sale	12	4 274	4 735
Total current liabilities		45 990	53 777
Total equity and liabilities		218 376	239 249

Fornebu, 21 March 2024

 Jens Petter Olsen Chair		 Gyrid Skalleberg Ingerø Vice Chair of the Board	
 Jan Geldmacher Board member	 Nina Bjørnstad Board member	 Pieter Knook Board member	 Astrid Simonsen Joos Board member
 Espen Smistad Employee-elected Board member		 Irene Vold Employee-elected Board member	
		 Sune Jakobsson Employee-elected Board member	
		 Sigve Brekke President and CEO	
 Ottar Ertzeid Board member			



Consolidated Statement of Cash Flows

Telenor Group 1 January – 31 December

NOK in millions	Note	2023	2022
Profit before taxes from continuing operations		1 097	9 339
Profit (loss) before taxes from discontinued operations	12	18 800	36 378
Profit before taxes		19 898	45 718
Income taxes paid		(2 062)	(5 977)
Net (gains) losses from disposals, impairments and change in fair value of financial assets and liabilities		(17 427)	(33 823)
Depreciation, amortisation and impairment losses		17 528	28 217
Net (income) loss from associated companies and joint ventures		8 467	303
Dividends received from associated companies		1 238	575
Net interest expense		3 199	3 497
Changes in net operating working capital	13	89	(1 389)
Net currency (gains) losses not relating to operating activities		2 555	3 737
Interest received		463	228
Interest paid		(2 900)	(2 616)
Other adjustments		(1 928)	754
Net cash flow from operating activities		29 120	39 222
Proceeds from sale of property, plant and equipment, intangible assets and right-of-use assets		60	199
Purchases of property, plant and equipment, intangible assets and prepayments for right-of-use assets	13	(14 728)	(19 298)
Proceeds from disposal of subsidiaries and associated companies, net of cash disposed	13	5 045	(4 662)
Purchases of subsidiaries, associated companies and joint ventures, net of cash acquired	13	(1 806)	(991)
Proceeds from sale of other investments		140	1 639
Purchases of other investments	13	(7 008)	(31)
Net cash flow from investing activities		(18 297)	(23 145)
Proceeds from borrowings	13	20 091	20 956
Repayments of borrowings	13	(11 068)	(21 044)
Payments of lease liabilities related to spectrum licences	13	(1 886)	(2 483)
Payments of lease liabilities related to other lease contracts	13	(3 583)	(5 589)
Net payments related to supplier finance arrangements		(79)	21
Sale of shares to non-controlling interest	13	10 743	-
Purchase of treasury shares		(1 719)	(27)
Dividends paid to non-controlling interests in subsidiaries	11	(1 015)	(2 803)
Dividends paid to equity holders of Telenor ASA	11	(13 017)	(13 015)
Net cash flow from financing activities		(1 534)	(23 984)
Effects of exchange rate changes on cash and cash equivalents		612	600
Net change in cash and cash equivalents		9 902	(7 308)
Cash and cash equivalents as of 1 January		9 677	16 985
Cash and cash equivalents as of 31 December		19 580	9 677
Of which cash and cash equivalents in assets held for sale as of 31 December	12	220	-
Cash and cash equivalents excluding assets held for sale as of 31 December	20	19 360	9 677



Consolidated Statement of Changes in Equity

Telenor Group – for the years ended 31 December 2022 and 2023

NOK in millions	Attributable to equity holders of Telenor ASA						Non-controlling interests	Total equity
	Paid-in capital	Other reserves	Retained earnings	Cumulative translation differences	Total			
Equity as of 1 January 2022	8 466	(21 530)	43 981	(4 627)	26 294	5 206		31 500
Net income for the period	-	-	44 913	-	44 913	2 665		47 578
Other comprehensive income (loss) for the period	-	723	-	1 204	1 927	114		2 041
Total comprehensive income (loss) for the period	-	723	44 913	1 204	46 840	2 780		49 619
Disposal of subsidiaries with non-controlling interests	-	-	-	-	-	(592)		(592)
Transactions with non-controlling interests	-	-	(42)	-	(42)	3		(39)
Dividends	-	-	(13 015)	-	(13 015)	(3 159)		(16 174)
Share-based payment, exercise of share options and distribution of shares	-	61	-	-	61	-		61
Equity as of 31 December 2022	8 466	(20 746)	75 837	(3 422)	60 139	4 237		64 375
Net income for the period	-	-	13 734	-	13 734	1 646		15 380
Other comprehensive income (loss) for the period	-	304	-	(2 667)	(2 362)	(6)		(2 368)
Total comprehensive income (loss) for the period	-	304	13 734	(2 667)	11 372	1 641		13 012
Disposal of subsidiaries with non-controlling interests	-	-	-	-	-	(2 074)		(2 074)
Transactions with non-controlling interests	-	-	7 619	-	7 619	3 186		10 805
Dividends	-	-	(13 017)	-	(13 017)	(1 038)		(14 055)
Share buyback	(86)	(1 625)	-	-	(1 712)	-		(1 712)
Share-based payment, exercise of share options and distribution of shares	-	83	-	-	83	-		83
Equity as of 31 December 2023	8 379	(21 985)	84 172	(6 089)	64 483	5 951		70 434

See 28 for additional equity information.



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Telenor Group

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NOTE 1 Company information and basis of preparation

Telenor is a Norwegian listed company offering telecommunications services in the Nordics and Asia. The consolidated financial statements of Telenor are prepared according to the IFRS® Accounting Standards. The accounting policies are described in this note and in the individual notes to the financial statements.

Company information

The consolidated financial statements of Telenor (referred to as “the company”) comprise the parent company and its subsidiaries. The parent company Telenor ASA is a Norwegian public limited company listed on the Oslo Stock exchange under the ticker TEL. The principal activities of Telenor are described in note 2 Segments. The headquarter is at Snarøyveien 30, N-1360 Fornebu, Norway and the telephone number is +47 810 77 000.

Basis of preparation

The consolidated financial statements are prepared in accordance with IFRS® Accounting Standards as adopted by the EU and the additional requirements of the Norwegian Accounting Act. The consolidated financial statements were approved by the Board of Directors on 21 March 2024 and is subject to approval by the Annual General Meeting on 7 May 2024.

The consolidated financial statements have been prepared on a historical cost basis, except for equity investments (primarily shareholdings of less than 20%) and derivative financial instruments, which are carried at fair value. The financial year corresponds to the calendar year. The consolidated financial statements are presented in Norwegian Kroner (NOK). Amounts are rounded to the nearest million, unless otherwise stated. As a result of rounding adjustments, amounts and percentages may not add up to the total.

The amalgamation of dtac with True was completed on 1 March 2023, resulting in dtac being deconsolidated from the Telenor group. The transaction resulted in a gain for Telenor of NOK 18.5 billion, and the name of the new company is True Corporation. Telenor owns 30.2% at year-end 2023, and True Corporation is an associated company accounted for using the equity method. Historical figures have been represented as discontinued operations, refer to further information in note 12 Held for sale and discontinued operations.

Telenor has changed presentation of certain items from “other operating expenses” to “cost of materials and traffic charges” in the income statement from 1 January 2023 to better reflect the nature of the items. Comparative figures have been updated and the impact for the full year was NOK 413 million. Impacted figures in 2022 are in following notes: Note 4 Costs of material and traffic charges, Note 13 Cash flow information and Note 16 Right-of-use assets.

Accounting policies

Descriptions of accounting principles are generally included in the various notes to the financial statements. The general principles relating to foreign currency translation, distinction between current and non-current assets and liabilities and government grants are described below.

Foreign currency translation

The consolidated financial statements are presented in NOK, which is Telenor ASA’s functional currency. The group has foreign entities with functional currency other than NOK. At the reporting date, the assets and liabilities of foreign entities with functional currencies other than NOK are translated into NOK at the rate of exchange at the reporting date. The income statements are translated at the average exchange rates for the year except significant transactions that are translated using the daily exchange rate. The translation differences arising from the translation are recognised in other comprehensive income until the disposal of the net investment, at which time they are recognised in the income statement.

Current/non-current classification

An asset or liability is classified as current when it is expected to be realised, sold, used or settled in Telenor’s normal operating cycle, which is normally within twelve months after the reporting date. Other assets and liabilities are classified as non-current. Financial instruments, other than those held for trading, are classified based on maturity, and hedging instruments are classified consistently with the underlying hedged item.

Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received. Grants that relate to expenses are normally recognised as a reduction of the expense over the related period. Grants that relate to assets are deducted from the carrying amount of the asset and result in lower depreciation over the useful life of the asset.

Key accounting judgments

The preparation of the consolidated financial statements requires management to make significant judgment in selecting and applying accounting policies in certain areas. Such judgments typically involve complex or unusual transactions that are not directly addressed in the IFRS Accounting Standards, or when judgment is required to assess terms like “highly probable”, “significant” or “prolonged”. The areas where management in Telenor has applied accounting judgment that could potentially have a significant impact on the consolidated financial statements are described in the following notes:

- Note 4 Costs of material and traffic charges (about power purchase agreements)
- Note 12 Held for sale and discontinued operations (about agreement to sell Pakistan)
- Note 16 Right-of-use assets (about perpetual leases of towers and other infrastructure)
- Note 35 Associated companies and joint arrangements (about “significant” and “prolonged” decline in market value)



In addition, there is a lack of exchangeability from Bangladesh Taka (BDT) to USD or other foreign currency due to shortage of foreign currency in Bangladesh. This has limited Grameenphone's ability to remit dividends to Telenor. Including an amount received after the reporting period, Telenor has received all its entitled share of the dividend. The available spot rate of USD/BDT 110 has been used for the purpose of translating the financial statements of Grameenphone to NOK on 31 December 2023, as this rate is observable from the authorised banks in Bangladesh for payment to foreign suppliers. This is considered as a key accounting judgment per 31 December 2023.

Key sources of estimation uncertainty

The preparation of the consolidated financial statements requires management to make significant estimates that could result in material adjustments to the carrying amount of the asset or liability the next financial year. The estimates include difficult, subjective and complex assessments of the outcome of matters that are inherently uncertain on an ongoing basis. Management uses historical results and experience, consultations with experts, trends, forecasts and scenarios of future development and other methods found reasonable under the circumstances when assessing the estimates. The most significant estimates in the consolidated financial statements of Telenor are described in the following notes:

- Note 10 Income taxes
- Note 16 Right-of-use assets
- Note 17 Property, plant and equipment
- Note 18 Impairment of assets
- Note 22 Provisions and obligations
- Note 23 Legal disputes and obligations

Adoption of new and revised standards, amendments, and interpretations

The accounting policies applied are consistent with those applied in the previous financial year, except for the implementation of new and revised accounting standards as described below. The amendments adopted with effect from 1 January 2023 relevant for Telenor include:

- Disclosure of accounting policies (amendment to IAS 1 *Presentation of Financial Statements* and IFRS Practice statement 2 *Making Materiality Judgements*). The amendments require entities to disclose their material accounting policies rather than their significant accounting policies. Telenor has adopted the amendments in the consolidated financial statements for 2023.
- Definition of accounting estimates (amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*). The amendments are introducing a definition of 'accounting estimates' and providing other clarifications to help entities distinguish accounting policies from accounting estimates. Telenor is aligned with the amendments to IAS 8 in the assessment of changes in accounting policies versus estimates.
- Deferred tax related to assets and liabilities arising from a single transaction (amendments to IAS 12 *Income Taxes*). The amendments clarify the scope of the recognition exemption in IAS 12 so that it does not apply to transactions that give rise to equal amounts of taxable and deductible temporary differences. Telenor is aligned with the amendments to IAS 12 of presenting deferred tax asset and deferred tax liability gross for lease liabilities/right-of-use assets and asset retirement obligation/property, plant and equipment.
- International tax reform – Pillar II Model Rules (amendments to IAS 12 *Income Taxes*). The amendments include a mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar II Model Rules and disclosure requirements for affected entities. Telenor has applied the temporary exception from the requirement to account for deferred taxes. Telenor is currently assessing how the Pillar II Model Rules will impact the income tax. Refer to note 10 for further information.

None of the amendments implemented with effect from 1 January 2023 has had a significant impact on Telenor's consolidated financial statements. Telenor has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. At the date of authorisation of these financial statements, the following amendments that could affect Telenor's consolidated financial statements were issued but not effective:

- Telenor has supplier finance arrangements (SFAs) and the amendments to supplier finance arrangements in IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* effective 1 January 2024 are relevant for Telenor. The amendments increase the disclosure requirements for SFAs, including description of the different arrangements, terms and outstanding amounts within the scope of the SFAs. Telenor is currently in the process of analysing the disclosure requirements and assessing if the required information is available.
- The amendments to IAS 21 *Lack of Exchangeability* effective 1 January 2025 are relevant for Telenor. Refer to description above relating to lack of exchangeability for Bangladesh Taka (BDT) to USD. The implementation of these amendments is not expected to have a significant impact on the consolidated financial statements.

Management anticipates that these amendments will be adopted at the date stated above provided that the amendments are approved by the EU. There are no other standards, interpretations, or amendments effective from 1 January 2024 or later that are expected to have a significant impact on the consolidated financial statements.



NOTE 2 Segments

Telenor has four operating segments. The mobile and fixed line businesses are reported in the Nordic and Asia segments. The Infrastructure segment consists of certain passive infrastructure in the Nordic countries, while the Amp is the company's growth accelerator for services and software companies connected to Telenor's core telecom operations. These four segments are a result of the strategic direction for the reorganised Telenor.

Accounting policies

The segment information is reported to the President and CEO and management team in Telenor. Telenor's chief operating decision maker is the President and CEO. The financial segment information is used for assessing performance and allocating resources in the group. The operating and reportable segments are based on business activities and geographical location. For comparable figures, the previous country based segments have been restated to be aligned with the segment structure for the reorganised Telenor.

The accounting principles for the segment reporting are consistent with those for the consolidated financial statements, except for gains and losses arising from internal bad debt provisions, internal transfer of businesses, group contribution and dividends within the group which are excluded from the income statement for the segments. All transactions between the segments are based on market conditions.

Segments

Nordics

The Nordics segment consist of mobile and fixed operations in Norway, Sweden, Denmark, and Finland. Offerings include mobile subscriptions and handsets, telephony, broadband, data security, communications services, and TV services to both residential and business customers. The segment also offers wholesale services.

Asia

The Asia segment consist of mobile operations in Telenor Pakistan and Grameenphone (Bangladesh). Offerings include mobile subscriptions, as well as wholesale services. Results from associated companies CelcomDigi, True and Telenor Microfinance Bank in Pakistan are included in the segment as investments in associates. See further information in note 12 Held for sale and discontinued operations and Note 35 Associated companies and joint arrangements for information about CelcomDigi and True.

Infrastructure

The Infrastructure segment provides passive telecom infrastructure in the Nordics such as towers, masts and buildings. The Infrastructure segment builds, develops and maintains passive telecom infrastructure and leases it to both internal and external customers.

Amp

Telenor Amp is the company's growth accelerator for service and software companies, connected to Telenor's core business. It consists of the controlled companies Telenor Satellite, the IoT provider Telenor Connexion, Telenor Maritime, the global connectivity provider Telenor Linx, the smart building company BLDNG.AI, and the infrastructure company Norkring België, as well as several non-controlled investments, including the TV distributor Allente and the online classifieds company Carousell.

Other

Other include various corporate functions like group leadership, strategy, research and development (R&D), technology, finance, procurement and insurance.

Segment Information 2023

NOK in millions	Revenues	External revenues	EBITDA before other income and other expenses ^{1,2)}	EBITDA ^{1,2)}	Depreciation, amortisation and impairment losses ³⁾	Operating profit (loss)	Capex excl. lease ²⁾
Nordics	56 321	55 636	22 812	22 103	12 905	9 197	9 387
Asia	20 199	19 353	11 354	11 312	4 178	7 134	2 307
Infrastructure	3 399	806	2 024	2 026	907	1 119	834
Amp	4 734	4 300	1 279	1 223	490	732	196
Other	1 474	355	(640)	(1 029)	96	(1 125)	7
Eliminations	(5 675)	-	(2 266)	(2 110)	(2 017)	(93)	-
Group	80 452	80 452	34 564	33 524	16 559	16 964	12 731



Segment Information 2022

NOK in millions	Revenues	External revenues	EBITDA before other income and other expenses ¹⁾	EBITDA ¹⁾	Depreciation, amortisation and impairment losses ²⁾	Operating profit (loss)	Capex excl. lease ³⁾
Nordics	52 477	51 852	21 187	22 513	13 370	9 143	9 957
Asia	20 973	20 282	12 516	12 269	6 827	5 442	2 373
Infrastructure	3 427	759	1 830	1 793	830	962	901
Amp	4 525	3 882	1 473	1 464	468	995	325
Other	1 794	103	(358)	(460)	89	(549)	4
Eliminations	(6 319)	-	(2 819)	(2 820)	(1 970)	(850)	-
Group	76 877	76 877	33 830	34 758	19 615	15 143	13 560

¹⁾ See table below for reconciliation of EBITDA.

²⁾ For definitions of EBITDA and capex excl. lease, see Definitions and Alternative Performance Measures.

³⁾ For impairments see note 15, 16, 17, 18.

Reconciliation

NOK in millions	2023	2022
EBITDA before other income and other expenses	34 564	33 830
Other income	85	1 945
Other expenses	(1 125)	(1 016)
EBITDA	33 524	34 758

Geographical distribution of external revenues based on customer location

NOK in millions	2023	2022
Norway	25 371	25 826
Sweden	13 765	12 806
Denmark	6 187	5 563
Finland	11 998	9 940
Bangladesh	15 294	15 390
Pakistan	4 072	4 829
Other countries	3 765	2 523
Total revenues	80 452	76 877

Assets by geographical location of the company

NOK in millions	Non-current assets excluding deferred tax assets, contract cost and other non-current financial assets		Total assets	
	2023	2022	2023	2022
Norway	35 822	35 559	64 671	54 233
Sweden	16 781	16 120	23 638	23 191
Denmark	4 785	4 448	8 024	7 703
Finland	36 739	34 868	43 364	40 692
Thailand	13 532	37 814	13 608	47 219
Malaysia	33 763	34 436	33 764	34 448
Bangladesh	13 593	14 071	18 385	17 576
Pakistan	5 564	7 837	7 530	10 287
Other countries	3 166	2 902	5 392	3 899
Total assets	163 746	188 055	218 376	239 249



NOTE 3 Revenues

Telenor's revenues mainly relate to mobile and fixed operations. Revenues in mobile operations include subscription and traffic fees, roaming charges and interconnect fees from other operators terminating or transiting traffic in Telenor's networks. Devices like mobile phones are regularly part of a bundled offering together with the subscription. Revenues in the fixed operations include services like telephony, broadband, TV connections, broadcasting, data networks and data security services.

Accounting policies

Services

Mobile service revenues include subscriptions and traffic revenues from Telenor's own subscribers' use of mobile voice and data services. Subscriptions are invoiced monthly on postpaid or prepaid basis. Outbound roaming charges, in addition to voice and non-voice traffic fees, are recognized based on the minutes or data used. Other mobile services include subscriptions and services for machine-to-machine and internet-of-things (IoT), inbound and national roaming and revenues related to service providers and MVNOs (Mobile Virtual Network Operators). Interconnection fees are revenues from other operators using Telenor's networks. Service revenues are recognised over time or based on usage.

Fixed-line network services include revenues from telephony, internet, TV, broadcasting, and data services. The subscription fees are usually flat rate, where some contracts have a minimum contract term. Fixed service revenues are recognised over time or based on usage and invoiced monthly on postpaid or prepaid basis.

Goods

Revenues from the sale of handsets, broadband set-top boxes and other devices are recognised at point in time when the equipment is delivered to the customer.

Bundled multi-element contracts

Bundled multi-element contracts are contracts that consist of several separate identifiable performance obligations. These typically include subscription, handset and sometimes screen insurance and other services as part of Telenor's mobile operations. As part of Telenor's fixed operations, they usually include subscription, set-top boxes and other types of equipment or services.

The transaction price is net of discounts and sales related taxes. Bundled contracts may include a financing component, as the handset or other equipment is provided to a customer up-front, and payments are received over an instalment period. Financing components are not considered when the timing of the payment is at the discretion of the customer (for example prepaid mobile services) or the timing difference between rendering the service or good and payment is less than twelve months. If a significant financing component is provided to the customer, the transaction price is adjusted, and interest revenue is recognised over the customer's payment period using an interest rate reflecting the relevant risk-free rate and customer specific credit risk.

The transaction price for bundled contracts is allocated to each identified performance obligation based on relative prices Telenor would achieve by selling the same goods or services to a similar customer on a stand-alone basis. Discounts are allocated proportionately to all performance obligations in the contract unless there is observable evidence to allocate it differently.

Mobile swap contracts

Telenor's offer in some markets includes the sale of handsets on instalment plans with an option for the customer to change to a new device before all the instalments are paid. If the option is exercised, the customer pays any remaining months of minimum instalment under the original contract and enters a new contract. The transaction price at inception of the contract includes an estimate of the payments to be received based on the expected value approach using historical data.

In some markets with mobile swap contracts, Telenor is obliged to accept the return of the original handset and a refund liability is recognised. A returned-good asset with a corresponding adjustment to cost of sales is recognised representing the right to recover the returned handsets. In other markets, an external third party takes ownership of the device, resells it and guarantees a compensation to Telenor. In these contracts, Telenor includes estimated amounts from the third party as part of the total consideration to be received at inception of the contract.

Telenor as agent

In some markets, mobile subscriptions and devices are sold as bundles through external channels. Telenor acts as principal for the subscription services and recognizes the revenues on a gross basis. For the sale of the handset an assessment is made to determine if Telenor is agent or principal. If Telenor is regarded as an agent, no revenue is recognised as there are no commissions earned for providing services in the capacity of an agent in these arrangements. Further, when acting as an agent in arrangements where third parties are main suppliers, Telenor primarily arranges for the goods or services to be provided by the third party. For example, screen insurance which is offered as part of a bundled offering in some mobile subscriptions.

Other revenues

Revenues other than mobile and fixed operations are mainly offered by units not separately identified as reporting segments. Revenues include colocation services, data centre facilities, telematics (communication between machines), satellite services, maritime services, and Internet of Things (IoT). Revenues are recognised over time based on either monthly fees or usage.

**Lease revenues (IFRS 16)**

Telenor has operating lease arrangements in which it is a lessor, mainly related to passive infrastructure sharing with other telecommunication operators. Telenor has classified these leases as operating leases because they do not transfer substantially all the risks and rewards incidental to ownership of the underlying assets. Lease revenues are recognised on a straight-line basis over the lease term.

Disaggregation of revenues from contract with customers

Revenues are disaggregated by major revenue streams divided into the reportable segments as shown in note 2 in the table below. The disaggregation of revenues overview has changed in the current year to be aligned with the new segment structure as shown in note 2 Segments. Comparative figures have been restated.

Year 2023

	Mobile operations	Fixed operations	Other revenues from rendering of services ¹⁾	Total revenues from rendering of services ²⁾	Sale of handset and other devices ³⁾	Total revenues from contracts with customers (IFRS 15)	Operating lease revenues (IFRS 16)	Total revenues
NOK in millions								
Telenor Norway	14 016	8 968	-	22 985	2 222	25 206	224	25 431
Telenor Sweden	7 354	3 369	-	10 723	1 727	12 450	172	12 622
Telenor Denmark	4 200	637	-	4 837	1 292	6 129	34	6 163
DNA Finland	7 322	2 493	-	9 816	2 203	12 019	34	12 053
Other/eliminations	(51)	(111)	217	54	(2)	52	(0)	52
Nordics	32 841	15 356	217	48 414	7 442	55 856	465	56 321
Grameenphone - Bangladesh	15 331	-	-	15 331	5	15 336	195	15 531
Telenor Pakistan	4 275	-	-	4 275	7	4 282	130	4 411
Other/eliminations	-	-	257	257	-	257	-	257
Asia	19 606	-	257	19 863	12	19 875	325	20 199
Infrastructure	-	-	96	96	-	96	3 302	3 399
Amp	-	3 006	1 728	4 734	-	4 734	-	4 734
Other	-	-	1 326	1 326	-	1 326	148	1 474
Eliminations	(961)	(479)	(1 559)	(3 000)	(9)	(3 009)	(2 667)	(5 675)
Group	51 485	17 883	2 065	71 433	7 445	78 879	1 573	80 452

¹⁾ Other revenues from rendering of services includes Internet of Things (IoT) in non-mobile operations, tower revenues and other non-core business revenues. Refer to chapter Definitions and Alternative Performance Measures.

²⁾ Service revenues as explained in chapter Definitions and Alternative Performance Measures are not comparable with "total revenues from rendering of services" disclosed in this note. The reason is that operating lease revenues are excluded and service revenues from other operators are included in the table above.

³⁾ Revenues from handsets and other devices are recognized at point in time. Remaining revenue from contracts with customers are recognized over time.

Year 2022

	Mobile operations	Fixed operations	Other revenues from rendering of services ¹⁾	Total revenues from rendering of services ²⁾	Sale of handset and other devices ³⁾	Total revenues from contracts with customers (IFRS 15)	Operating lease revenues (IFRS 16)	Total revenues
NOK in millions								
Telenor Norway	13 832	8 850	-	22 682	2 389	25 071	329	25 400
Telenor Sweden	6 618	3 126	-	9 744	1 722	11 467	175	11 642
Telenor Denmark	3 744	529	-	4 273	1 208	5 480	30	5 510
DNA Finland	6 039	2 169	-	8 208	1 735	9 943	30	9 973
Other/eliminations	(134)	(71)	156	(48)	0	(48)	(0)	(48)
Nordics	30 099	14 603	156	44 858	7 055	51 913	564	52 477
Grameenphone - Bangladesh	15 301	-	-	15 301	22	15 323	185	15 508
Telenor Pakistan	5 037	-	-	5 037	10	5 047	141	5 188
Other/eliminations	-	-	277	277	-	277	-	277
Asia	20 338	-	277	20 615	32	20 646	327	20 973
Infrastructure	-	-	91	91	-	91	3 336	3 427
Amp	-	3 152	1 373	4 525	-	4 525	-	4 525
Other	-	-	1 627	1 627	-	1 627	167	1 794
Eliminations	(908)	(609)	(2 045)	(3 562)	(8)	(3 570)	(2 749)	(6 319)
Group	49 529	17 146	1 480	68 154	7 078	75 232	1 645	76 877

¹⁾ Other revenues from rendering of services includes Internet of Things (IoT) in non-mobile operations, tower revenues and other non-core business revenues. Refer to chapter Definitions and Alternative Performance Measures.

²⁾ Service revenues as reported in Definitions and Alternative Performance Measures are not comparable with total revenues from rendering of services disclosed in this note as operating lease revenues are excluded and service revenues from other operators are included in the table above.

³⁾ Revenues from handsets and other devices are recognized at point in time. Remaining revenue from contracts with customers are recognized over time.



Lease revenues

Other revenue of NOK 1.6 billion (NOK 1.6 billion in 2022) recognised in the income statement includes variable lease revenue of NOK 0.1 million (NOK 0.2 million in 2022) primarily relating to energy charges received from lessees based on the consumption.

The following table sets forth the maturity analysis of minimum lease payments to be received in nominal terms after the reporting date:

NOK in millions	2023	2022
Less than 1 year	1 156	1 123
1 to 2 years	569	566
2 to 3 years	493	522
3 to 4 years	458	493
4 to 5 years	431	487
After 5 years	655	831
Total	3 762	4 021

NOTE 4 Costs of materials and traffic charges

The cost of material and traffic charges include the cost of sold handsets and other materials, network capacity costs and national and international traffic charges from other operators.

Accounting policies

Cost of sold handsets and other materials is recognised at the point of sale. Traffic charges are recognised when incurred. Telenor has entered into Power Purchase Agreements (PPAs) to buy energy from wind and solar parks for Telenor's operations in Norway, Denmark and Finland. The energy cost under the PPAs will be recognised as cost of materials and traffic charges when the contracts commences in 2024.

Key accounting judgment

Power purchase agreements (PPAs)

Telenor has signed ten-year PPAs for Norway, Denmark, and Finland for delivery of renewable energy to its operations. The wind and solar farms are expected to be completed and ready for production in 2024. PPAs include both Guarantees of Origin (GOs) and fixed prices for energy. Fixed price contracts are generally regarded as derivatives at fair value with gains and losses in the income statement according to IFRS 9 *Financial Instruments*. However, an exemption is given for fixed-price commodity contracts that meet the "own use" criteria. The electricity market is characterized by some unique features like unpredictable supply and inability to store electricity. As a result, it may happen that energy will be sold in the spot market, but this is expected to be seldom and insignificant amounts. IFRS 9 does not specifically address these situations, and Telenor has applied judgment when applying the "own use" requirements. The IASB has tentatively decided to undertake narrow-scope standard-setting to amend IFRS 9 to ensure financial statements faithfully represent the substance of PPAs.

Cost of materials and traffic charges

NOK in millions	2023	2022
Traffic charges	(6 173)	(5 815)
Cost of materials etc	(12 884)	(12 003)
Total costs of materials and traffic charges	(19 056)	(17 819)

Cost of materials include variable lease expenses, see note 16 Right-of-use assets for more information.

**NOTE 5 Salaries and personnel costs**

Telenor had around 11,000 full-time equivalent employees for its continuing operations both as of 31 December 2023 and as of 31 December 2022. The employees have various benefits in addition to salary, including a share-based payment program.

Overview of salary and personnel costs

NOK in millions	2023	2022
Salaries and holiday pay	(8 624)	(8 025)
Social security tax	(1 041)	(920)
Pension costs including social security tax (note 21)	(1 046)	(991)
Share-based payments ¹⁾	(131)	(113)
Other personnel costs	(423)	(383)
Own work capitalised	1 279	1 151
Total salaries and personnel costs	(9 986)	(9 281)

¹⁾ Include expenses related to the Group's employee share programme, and the Group's long term incentive programme for managers and key personnel (please refer to note 37 Key management compensation as well as chapter 11 of the Corporate Governance section of the Board of Directors' report).

Share-based payment program

Employees and managers worldwide are offered to purchase Telenor shares at a discounted price and potentially earn bonus shares if the share price exceeds certain benchmarks in the future. Bonus shares are awarded net after tax and Telenor withhold and pay withholding taxes on behalf of the employee. The share-based payment programs including the withholding tax are considered as equity-settled share-based payments, where the fair value of the bonus shares is estimated at the grant date and expensed over the vesting period. Social security taxes are recognised as cash-settled share-based payments measured at fair value and remeasured at each reporting date.

NOTE 6 Other operating expenses**Other operating expenses**

NOK in millions	2023	2022
Other cost of premises, vehicles, office equipment etc.	(1 565)	(1 433)
Operation and maintenance	(5 235)	(4 956)
Marketing and sales commission	(3 976)	(3 722)
Advertising	(1 309)	(1 198)
External personnel and consultancy fees	(1 750)	(1 673)
Variable lease expenses ¹⁾	(1 795)	(1 857)
Other ²⁾	(1 217)	(1 110)
Total other operating expenses	(16 846)	(15 948)

¹⁾ See note 16 Right-of-use assets for more information.

²⁾ Includes expenses related to short term and low value leases, see note 16 Right-of-use assets for more information.

NOTE 7 Research and development costs

The research and development efforts in Telenor focuses on new generation networks and internet technologies, including new 5G capabilities within sectors such as media, health, and defence. Artificial intelligence (AI) and advanced analytics, business, and operating models are also focus areas on the research and development work.

Accounting policies

Research and development costs in Telenor are assessed for whether or not they meet the capitalization criteria in IAS 38 Intangible Assets. Generally, they are expensed as incurred as they do not meet the requirements.

Research and development costs

Research and development costs that have been recognized in the income statement amount to NOK 143 million in 2023 (NOK 177 million in 2022). Expensed research and development activities mainly related new generation networks and internet technologies, artificial intelligence (AI) and advanced analytics, business, and operating models.



NOTE 8 Other income and other expenses

Income and expenses not regarded as part of regular operational performance are presented on a separate line as other income and other expenses in Telenor. It includes gains and losses on disposal of PPE and other non-current assets, restructuring costs, losses from onerous contracts and fines concluded in legal disputes.

Accounting policies

Other income and other expenses are items that are not regarded as part of regular operational performance. The purpose of presenting these items on separate lines is to enable comparison of underlying profitability between periods. It includes gains and losses on disposal of non-current assets such as property, plant and equipment (PPE) and intangible assets. It also includes gains and losses from sale of subsidiaries, unless the sale is presented as discontinued operations. Restructuring costs are included to the extent they qualify as a restructuring in IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. Costs related to reduction of personnel is only included when they relate to the time the employee no longer renders services to Telenor. Costs for loss contracts are included when they qualify as onerous contracts under IAS 37. Fines concluded in legal disputes are included, whereas settlements on legal disputes are only included in other income and other expense when they relate to the business as a whole and are non-recurring in nature.

Other income and other expenses

NOK in millions	2023	2022
Gains on disposals of property, plant and equipment (PPE), right-of-use assets and operations	85	1946
Other	1	(1)
Total other income	85	1945
Losses on disposals of property, plant and equipment (PPE), right-of-use assets and operations	(312)	(220)
Expenses for workforce reductions, onerous contracts and other	(813)	(796)
Total other expenses	(1 125)	(1 016)

For the year 2023, total other expenses included losses on disposals of tangible and intangible assets of NOK 240 million (of which NOK 106 million in Telenor Norway and NOK 82 million in Telenor Sweden) and NOK 72 million settlement for a disposal of business in 2020. Further, an increase in provision for a rental guarantee for the headquarter office building at Fornebu of NOK 259 million was recognised in addition to NOK 497 million in restructuring cost related to workforce reductions (of which NOK 304 million in Telenor Norway and NOK 58 million in Telenor Sweden).

In 2022, total other income consisted mainly of NOK 1.7 billion gain on divestment of fixed non-core assets and NOK 95 million related to gain on sale of licenses in Telenor Sweden. Total other expenses consisted mainly of workforce reductions (of which NOK 392 million in Telenor Norway and NOK 180 million in Grameenphone).



NOTE 9 Financial income and expenses

Financial income in Telenor includes interest income on cash equivalents as well as customer credit. The interest expenses mainly relate to bonds, derivatives, and other borrowings in addition to lease liabilities. Other financial items include foreign currency gains and losses and change in fair value of hedging instruments and hedged items.

Accounting policies

Interest expenses related to bonds, commercial papers, bank loans and bank overdrafts are recognised at amortised cost using the effective interest-rate method. Foreign currency gains and losses arise from monetary assets and liabilities denominated in foreign currencies that are translated to the functional currency. All exchange differences are recognised in the income statement except exchange differences on foreign currency borrowings and monetary items that provide an effective hedge against a net investment in a foreign entity. These gains and losses are recognised in other comprehensive income until the disposal of the net investment or settlement of the monetary item, at which time they are recognised in the income statement. Dividend income from investments is recognised when the rights to receive payment have been established (declared by the Annual General Meeting or otherwise) and classified as financial income.

Financial income and expenses

NOK in millions	2023	2022
Interest income on cash and cash equivalents	860	235
Other financial income	202	157
Total financial income	1 062	392
Interest expenses on financial liabilities ⁴⁾	(3 410)	(1 838)
Other financial expenses	(854)	(1 063)
Total financial expenses	(4 264)	(2 901)
Foreign currency gains	4 848	3 334
Foreign currency losses	(7 897)	(6 719)
Net foreign currency gains (losses)	(3 049)	(3 386)
Net change in fair value of financial instruments at fair value through profit or loss	(1 419)	596
Net change in fair value of hedging instruments and hedged items	271	(205)
Net gains (losses and impairment) on financial assets and liabilities	(1)	1
Other changes	(1 149)	391
Net financial income (expenses)	(7 400)	(5 503)

⁴⁾ Includes interest expenses on lease liabilities, see note 16 Right-of-use assets for more information.

In 2023, total financial income increased by NOK 0.7 billion compared to 2022, primarily driven by an increase in interest income as a result of higher interest rates and higher average cash balance throughout the year. Interest expenses in 2023 related to interest-bearing debt amounted to NOK 2.5 billion, an increase of NOK 1.3 billion compared to 2022. This increase was mainly explained by higher interest rates. Further, interest expenses on lease liabilities amounted to NOK 0.9 billion in 2023, an increase of NOK 0.2 compared to 2022. Other financial expenses for 2023 and 2022 included provisions for regulatory disputes in Bangladesh.

Net foreign currency losses were NOK 3.0 billion in 2023, compared to losses of NOK 3.4 billion in 2022. The net foreign currency losses in 2023 were mainly related to translation of debt denominated in USD used for economic hedges of assets, USD liabilities in Pakistan as well as internal loans in SGD within Telenor Group. The net foreign currency losses in 2022 were mainly related to translation of debt denominated in USD used for economic hedges of assets, USD liabilities in Pakistan and internal loans in SGD within Telenor Group.

Net change in fair value of financial instruments in 2023 was primarily related to the write-down of the funding of share purchases in True Corporation in Thailand.

NOTE 10 **Income taxes**

Telenor is in a payable tax position in most jurisdictions. Telenor is involved in several legal proceedings and discussions related to its tax position where the outcome is uncertain. Uncertain tax positions may require significant judgment including assessment of future taxable profits and estimating the outcome of significant tax disputes.

Accounting policies

Telenor bases its assessment of taxable income on interpretation of relevant laws and regulations, and when it is considered as probable that the tax treatment will be sustained in a tax review. Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the tax authorities. Deferred tax assets and liabilities are calculated using the liability method where deferred taxes are recognised on the difference between the tax base and the carrying amount of the assets and liabilities, including tax losses carried forward. Deferred tax assets and liabilities are not recognised on goodwill or on investments in subsidiaries, associates, or joint ventures where the timing of the reversal can be controlled, and it is probable that the temporary difference will not be reversed in the foreseeable future. Deferred tax assets are only recognised to the extent it is more likely than not that the tax assets will be utilised. Deferred tax assets and liabilities are offset when there is a legally enforceable right, and Telenor is capable to and intends to settle on a net basis. The enacted tax rates at the end of the reporting period and undiscounted amounts are used. A change in deferred tax assets and liabilities because of change in tax rates is recognised in profit or loss, except when it relates to items that previously was recognised in other comprehensive income or directly in equity. Deferred tax is provided for undistributed earnings in subsidiaries when distribution is expected in foreseeable future. Deferred tax for undistributed earnings in associated companies is provided for as the timing of the reversal of the temporary differences cannot be controlled by Telenor.

Key sources of estimation uncertainty

Significant judgements are required when assessing uncertain tax assets, like tax losses carried forward. Such judgment may include assessment of taxable profits in futures years as well as tax planning strategies and the existence of taxable temporary differences. Entities with a history of recent losses need convincing evidence that sufficient future taxable profit will be generated before a tax asset is recognised. Uncertainty related to new transactions and events and the interpretation of new tax rules may also affect these judgements.

Telenor is involved in various legal proceedings, disputes and claims related to its income tax positions where the outcomes is subject to significant uncertainty. The management assessment may include interpretation of relevant laws, regulations, and the outcome of similar tax disputes in the same jurisdiction, expert opinions from external tax advisors and communication with the tax authorities. A tax provision is recognised when an unfavourable outcome is considered probable, and a reliable estimate can be made. In Norway, a formal decision made by the tax authorities or lower courts is presumed to represent the best estimate for accounting purposes unless expert opinions can point to errors clearly indicating that the tax assessment is incorrect. The tax provision is updated whenever the assumptions change. Tax disputes are disclosed in this note if they are considered significant for Telenor. See also note 23 Legal Disputes and contingencies.

Income tax expense

NOK in millions	2023	2022
Profit before taxes	1 097	9 339
Current taxes	(4 179)	(365)
Deferred taxes	(153)	3 373
Income taxes	(4 332)	3 009

Current taxes

In 2023 current taxes are impacted mainly by current tax expense of NOK 1.2 billion in Norway (see below impairments of associated companies, gain on disposal of Working Group Two, and India guarantee) and NOK 2.2 billion in Bangladesh. Current taxes in 2022 were impacted mainly by current tax income of NOK 3.1 billion in Norway (see below reversal of tax expense for the India guarantee for Unitech Wireless, reversal of tax provision in Norway related to losses on loans and guarantees, and prior year assessments or adjustments on current tax) and current tax expense of NOK 2.3 billion in Bangladesh.

Deferred taxes

In 2022 deferred taxes were impacted mainly by NOK 2.1 billion in Norway, due to realisation of tax losses related to an internal legal restructuring in Asia, and NOK 1.1 billion in Pakistan mainly related to the impairment of fixed assets.



Effective tax rate

The table below reconciles the reported income tax expense to the expected income tax expense according to the Norwegian corporate income tax rate of 22%. It also discloses the main elements of the tax expense. Comments are provided on selected line items below the table.

NOK in millions	2023	2022
Income tax expense at corporate income tax rate in Norway 22%	(241)	(2 055)
Effect of tax rates outside Norway different from 22%	(870)	(837)
Effect of changes in tax rates	185	13
Current and deferred taxes on retained earnings in subsidiaries and associated companies	(481)	(70)
Impairments of associated companies	(1 871)	-
Gain on disposal of Working Group Two	147	-
Write down shareholder loan (funding of investment in True Corporation)	(192)	-
Grameenphone tax settlements and new tax act	192	-
Reversal of tax expense for the India guarantee for Unitech Wireless	(221)	2 491
Tax income from restructuring in Asia	-	3 136
Divestment of fixed non-core assets in Telenor Sweden	-	356
Reversal of tax provision in Norway related to losses on loans and guarantees	-	330
Other items	(598)	(594)
Prior year assessments or adjustments on current tax	72	297
Deferred tax assets not recognised current year	(454)	(66)
Change in previously not recognised deferred tax assets	-	6
Income taxes	(4 332)	3 009
Effective tax rate in %	394.7	-32.2

Tax rates outside Norway different from 22%

Effects are mainly related to Grameenphone Ltd. (Bangladesh: 40%) and Telenor Pakistan (39%) having higher nominal tax rates than the nominal tax rate for Norway. Telenor Sweden (20.6%) and DNA (Finland: 20%) have lower nominal tax rates.

Effect of changes in tax rates

Pakistan enacted an increase of their corporate income tax rate from 33% to 39% in 2023.

Current and deferred taxes on retained earnings and dividend in subsidiaries and associated companies

Includes current taxes on dividends received, as well as change in deferred tax liability (primarily withholding tax) recognised on undistributed earnings in subsidiaries and associated companies outside of Norway. Deferred taxes on retained earnings in foreign subsidiaries are provided for in full as of 31 December 2023 and 2022.

Impairments of associated companies

In 2023 Telenor recognised impairments for True Corporation of NOK 7,200 million, Allente of NOK 465 million, Carousell of NOK 464 million and Telenor Microfinance Bank of NOK 376 million.

Gain on disposal of Working Group Two

Telenor's 44.6 per cent share of Working Group Two was acquired by Cisco in 2023.

Write down shareholder loan (funding of investment in True Corporation)

Shareholder loan related to the funding of investment in True Corporation is written down by of NOK 1.1 billion in 2023.

Grameenphone tax settlements and new tax act

The impact of the new income tax act in Bangladesh, which challenges tax deductions for payments made to certain governmental entities is offset by tax settlements and reversed provisions, giving net NOK 192 million reduction of the tax expense.

Tax income from restructuring in Asia

As a part of Telenor's new strategy, an internal restructuring process has been initiated to form a new Singapore holding company for all Asian mobile operations. Telenor India is not a part of the strategy for Asia going forward, and therefore the company holding the interests in India has been transferred from Telenor Mobile Communications AS to Telenor Communications II AS. A deductible tax loss of NOK 14.3 billion in Norway was realised in 2022 by the transaction. The deductibility is based on an advanced binding ruling from Norwegian tax authorities.

Reversal of tax expense for the India guarantee for Unitech Wireless

In 2012, Telenor ASA recorded a loss after having repaid, as guarantor, all Unitech Wireless' interest-bearing borrowings, amounting to NOK 10.6 billion. A deferred tax asset of NOK 2.5 billion was recognised. In 2013, the business transfer from Unitech Wireless to Telenor India was completed, and Telenor ASA deducted NOK 9.3 billion as loss on guarantees in its tax filing. In 2019, Telenor ASA received a reassessment order from the Norwegian tax authorities disallowing deduction for the loss, which increases previous years' current income tax with NOK 2.5 billion in 2019. The decision was upheld by the Tax Appeal Board. Telenor ASA has appealed the decision to the district court. On 28 March 2022, the District Court (Tingretten) decided in favour of Telenor ASA, and the tax expense was reversed with NOK 2.5 billion in 2022. The government has appealed the ruling to the Appeal Court (Lagmannsretten). In 2023, the Appeal Court ruled mainly in favour of Telenor ASA as it upheld the decision by the District Court that the losses of NOK 9.2 billion were tax deductible. The timing for tax deduction of the losses was changed from 2013 to 2015, which resulted in lower effective tax deduction and increased previous years current income tax NOK 0.2 billion due to declining tax rates. The government filed an appeal to the Supreme Court, but the Appellate Committee decided not to allow the appeal to be heard. The ruling from the Appeal Court then became final, and accordingly Telenor ASA has received repayment of taxes with NOK 2.3 billion together with interest of NOK 149 million in 2023.

**Divestment of fixed non-core assets in Telenor Sweden**

Telenor Sweden sold in 2022 Open Universe and the company's fibre to the home (FTTH) accesses in the single dwelling unit (SDU) segment to Global Connect for a total consideration of NOK 3 billion. The transaction generated a pre-tax gain on disposal of NOK 1.7 billion.

Reversal of tax provision in Norway related to losses on loans and guarantees.

Telenor ASA claimed deductions for losses on loans and guarantees related to the subsidiary Cinclus Technology AS in 2008 with NOK 0.5 billion and in 2011 with NOK 0.7 billion. The Tax Office disallowed deductions for 2008 by decision of 21 December 2016, and for 2011 by decision of 21 February 2018. Telenor ASA appealed the decisions. On 6 June 2022, the Tax Appeal Board decided that Telenor ASA should be allowed deductions, and the tax expense was therefore reversed in 2022.

Fine imposed by the Norwegian Competition Authority (NCA)

In 2022 Telenor paid a fine of NOK 0.8 billion to NCA for a claim from 21 June 2018. The claim relates to an alleged breach of the prohibition against abuse of a dominant position related to the pricing model in one mobile wholesale agreement in the mobile market in the period 2010-2014, see note 23 Legal Disputes and contingencies.

Other items

In 2023 non-deductible items are in line with last year.

Prior year assessments or adjustments on current tax

In 2022 it was mainly related to reversal of previous years' current income for pipes and digging costs in Norway.

Deferred tax assets not recognised current year

In 2023 it is mainly related Telenor Pakistan.

Tax losses carried forward

Tax losses carried forward in selected countries expire as follows as of 31 December 2023:

NOK in millions	Norway	Denmark	Thailand	Other	Total
2024	-	-	-	1	1
2025	-	-	-	15	15
2026	-	-	-	16	16
2027	-	-	-	21	21
2028	-	-	-	27	27
2029 and later	-	-	-	307	307
Not time-limited	1 979	478	-	19	2 476
Total tax losses carried forward	1 979	478	-	406	2 863
Of which deferred tax assets have not been recognised	-	164	-	264	433
Of which deferred tax assets have been recognised	1 979	314	-	142	2 430

Tax losses carried forward in selected countries expire as follows as of 31 December 2022:

NOK in millions	Norway	Denmark	Thailand	Other	Total
2023	-	-	591	-	591
2024	-	-	999	1	1 000
2025	-	-	327	14	340
2026	-	-	516	15	531
2027	-	-	939	20	959
2028 and later	-	-	-	319	319
Not time-limited	12 484	590	379	283	13 737
Total tax losses carried forward	12 484	590	3 751	653	17 477
Of which deferred tax assets have not been recognised	-	154	431	542	1 127
Of which deferred tax assets have been recognised	12 484	436	3 320	111	16 350

In 2023, tax losses carried forward, before and after valuation allowance, decreased by NOK 14.6 billion and NOK 13.9 billion, mainly related to election by Telenor ASA under Norwegian tax rules to treat accumulated unrealized foreign exchange losses on non-current borrowings as a temporary difference and to the deconsolidation of dtac. In 2022, tax losses carried forward, before and after valuation allowance, increased by NOK 11.6 billion, mainly due to recognition of NOK 12.5 billion tax losses carried forward in Norway, partly offset by the utilisation of tax losses in Denmark and Thailand.

Tax assets recognised on tax losses carried forward

Norway and Denmark have recognised tax assets on unused tax losses as Telenor expects there will be sufficient future taxable profits available to utilise these losses.

Uncertain tax positions**Pakistan**

Telenor Pakistan has received reassessment orders from the Tax Authority concerning deductibility of certain expenses in tax returns and disputing the adjustment of advance income tax paid on import of equipment with an exposure of NOK 1.8 billion. Telenor Pakistan is of the opinion that the deductibility of these expenses is in accordance with the tax law in Pakistan (also supported by external legal advisors), hence Telenor Pakistan disagrees with the reassessment orders and has challenged the orders, which are pending at various appellate forums. There is an additional exposure of NOK 1.9 billion for similar issues in years where reassessments have been remanded back to the assessing tax officer for new assessment and in years not yet reassessed.



Norway

In 2012, Telenor ASA recorded a loss on receivables on its Indian subsidiary Unitech Wireless after having repaid, as guarantor, all Unitech Wireless' interest-bearing borrowings, amounting to NOK 10.6 billion. A deferred tax asset of NOK 2.5 billion was recognised. In 2013, after the business transfer from Unitech Wireless to Telenor India was completed, Telenor ASA deducted the actual tax loss of NOK 9.3 billion in its tax return. In 2019, Telenor ASA received a reassessment order for income year 2013, disallowing deduction for the loss. Following this reassessment, Telenor ASA recognised a tax expense of NOK 2.5 billion and paid the amount in the third quarter 2019. Telenor ASA appealed the reassessment. In a decision received 10 February 2021 the Tax Appeal Board upheld the reassessment. Telenor ASA appealed the decision to the district court. On 28 March 2022, the district court decided in favour of Telenor ASA, and the tax expense was reversed with NOK 2.5 billion in 2022. The government appealed the ruling to the Appeal Court. In 2023, the Appeal Court ruled mainly in favour of Telenor ASA as it upheld the decision by the District Court (Tingretten) that the losses of NOK 9.2 billion were tax deductible. The timing for tax deduction of the losses was changed from 2013 to 2015, which resulted in lower effective tax deduction and increased previous years current income tax NOK 0.2 billion due to declining tax rates. The government filed an appeal to the Supreme Court, but the Appellate Committee decided not to allow the appeal to be heard. The ruling from the Appeal Court then became final, and accordingly Telenor ASA has received repayment of taxes with NOK 2.3 billion together with interest of NOK 149 million in 2023.

Tax effect of temporary differences and tax losses carried forward as of 31 December

	2023				2022			
NOK in millions	Deferred tax assets	Deferred tax liabilities	Of which deferred assets not recognised	Recognised in the income statement	Deferred tax assets	Deferred tax liabilities	Of which deferred assets not recognised	Recognised in the income statement
Tangible and intangible assets	1 989	(8 616)	(388)	386	1 791	(9 269)	(142)	360
Undistributed earnings in foreign subsidiaries and associated companies	-	(258)	-	(98)	-	(207)	-	16
Non-current borrowings	5 514	(88)	-	31	4 364	(262)	-	706
Other non-current items	1 053	(1 369)	(85)	126	761	(994)	-	(81)
Total non-current assets and liabilities	8 555	(10 332)	(472)	445	6 915	(10 733)	(142)	1 001
Total current assets and liabilities	2 740	(98)	-	(246)	2 532	(204)	-	139
Tax losses carried forward	634	-	(99)	(33)	3 757	-	(229)	2 295
Valuation allowance recognised in the income statement				(320)				(62)
Deferred tax recognised in the income statement				(153)				3 373
Total deferred tax assets/liabilities	11 929	(10 430)	(571)		13 205	(10 937)	(371)	
Net deferred tax assets/liabilities	-	927	-		-	1 897	-	
Of which deferred tax assets	-	4 306	-	-	-	5 536	-	-
Of which deferred tax liabilities	-	(3 379)	-	-	-	(3 639)	-	-

For 2023, total non-current assets and liabilities increased by NOK 1.6 billion, and NOK 0.4 billion respectively. Total current assets and liabilities increased by NOK 0.2 billion, and NOK 0.1 billion respectively. Tax losses carried forward decreased by NOK 3.1 billion. Net deferred assets/liabilities decrease by NOK 1.0 billion is related to the deconsolidation of dtac. For 2022, the decrease in deferred tax assets and liabilities (NOK 1.1 billion, and NOK 2.4 billion respectively) was mainly related to the deconsolidation of Digi. See also note 12 Held for sale and discontinued operations.

Changes in net deferred tax assets and liabilities

NOK in millions	2023	2022
As of 1 January	1 897	(2 179)
Recognised in the income statement	(153)	3 373
Recognised in other comprehensive income	420	170
Recognised directly to equity	(8)	(11)
Acquisitions and disposals of subsidiaries	(949)	644
Translation differences on deferred taxes	(281)	(51)
Discontinued operations	-	(49)
As of 31 December	927	1 897

Recognised in the income statement

For 2023, the change of the amount recognised in the income statement between 2023 and 2022 is related mainly to Norway and Pakistan.

Recognised in other comprehensive income

For 2023, the change of the amount recognised in other comprehensive income between 2023 and 2022 is related to losses on net investment hedges.

Acquisitions and disposals of subsidiaries

For 2023, the change of the amount in acquisitions and disposals between 2023 and 2022 is related to the deconsolidation of dtac and Telenor Satellite reclassification to assets held for sales, see note 12 Held for sale and discontinued operations.



Pillar II

Telenor group is within scope of OECD Pillar II legislation. On the reporting date, local Pillar II legislation have been enacted but not in effect in most of the relevant jurisdictions where Telenor operate and have constituent entities as of 31 December 2023. Since the Pillar II legislation was not effective at the reporting date, the group has no related current tax exposure. Telenor applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 Income Taxes issued in May 2023.

Telenor is in the process of assessing its exposure to the Pillar II legislation for when it comes into effect. Based on the tax rate in the countries where Telenor has taxable presence, the exposure to any top-up tax is not expected to be material. Due to the complexities in applying the legislation combined with the fact that not all information about future operations is available, top-up tax can however not be ruled out for the group in 2024 or at a later stage.

Telenor is in process of developing and subsequently adopting structured procedures for gathering information and documenting the assessments applied in the recognition and measurement of top-up taxes. This project aims to put Telenor in a position of applying the safe harbour rules accurately, and to develop the ability to carry out calculations in accordance with the ordinary GloBE-rules in all required jurisdictions during 2024.

NOTE 11 Earnings per share and dividends

The earnings per share (EPS) of NOK 9.90 in 2023 was positively impacted by the gain from the merger between dtac and True, see further information in note 12 Held for sale and discontinued operations. The EPS from continuing operations was negative NOK 3.53 in 2023 mainly as a result of impairment of True Corporations, see further information in note 35 Associated companies and joint arrangements. The EPS from continuing operations in 2022 was NOK 7.84. The dividend policy in Telenor is to aim for a year-on-year growth in nominal dividend per share. The annual dividends are normally paid in two instalments. The Board of Directors has proposed a dividend of NOK 9.50 per share for 2023.

Accounting policies

Earnings per share (EPS) is the amount of profit generated for the financial year attributable to equity shareholders divided by the weighted average ordinary outstanding shares.

Earnings per share

The calculations of earnings per share attributable to the ordinary equity holders of Telenor ASA are shown below.

Net income to equity holders of Telenor ASA

NOK in millions	2023	2022
Net income from continuing operations after non-controlling interest	(4 901)	10 978
Net income (loss) from discontinued operations after non-controlling interest	18 635	33 935
Net income from total operations attributable to equity holders of Telenor ASA	13 734	44 913

Number of shares

In thousands	2023	2022
Weighted average number of shares for the purpose of basic earnings per share	1 387 568	1 399 458

Basic/Diluted earnings per share

NOK	2023	2022
Basic/Diluted earnings per share from continuing operations	(3.53)	7.84
Basic/Diluted earnings per share from discontinued operations	13.43	24.25
Basic/Diluted earnings per share for total operations	9.90	32.09

Dividends to equity holders of Telenor ASA

NOK	2023	2022
Ordinary dividend per share in NOK – paid	9.40	9.30
Ordinary dividend per share in NOK - proposed by the Board of Directors	9.50	9.40

Total dividend of NOK 13.0 billion has been paid and charged to equity in 2023 (NOK 13.0 billion in 2022).

In respect of 2023, the Board of Directors proposed an ordinary dividend of NOK 9.50, to be approved by the Annual General Meeting on 7 May 2024. The total amount of dividend is estimated to be NOK 13.2 billion based on the outstanding number of shares as of 31 December 2023. The dividend will be split into two tranches of NOK 5.00 and NOK 4.50 per share to be paid out in May 2024 and October 2024, respectively.

Dividends paid to non-controlling interests

During 2023, dividends paid to non-controlling interests in subsidiaries amounted to NOK 1.0 billion (NOK 0.6 billion in Grameenphone and NOK 0.3 billion in dtac). During 2022, dividends paid to non-controlling interests in subsidiaries amounted to NOK 2.8 billion (NOK 0.8 billion in Digi, NOK 1.5 billion in Grameenphone and NOK 0.4 billion in dtac).



NOTE 12 Held for sale and discontinued operations

In 2023, the merger between dtac and True Corporation Public Company Ltd. (True) in Thailand took place and Telenor got diluted and dtac was deconsolidated as a subsidiary. For historical periods, dtac has been re-presented as discontinued operations. As of 31 December 2023, Telenor has a 30.2% ownership interest in True, including indirect ownership share, see note 35. Other entities presented as discontinued operations include Digi which was merged with Celcom in December 2022, Myanmar which was sold in March 2022 and Telenor India, which was disposed in 2018. Entities held for sale includes Telenor Satellite sold in January 2024 and Telenor India.

Accounting policies

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through sale rather than continuing use. This also applies for situations where the Group continues its operations but loses control over the operation. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell and presented separately as assets held for sale and liabilities held for sale in the statement of financial position.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan to sell will be withdrawn. In addition, management must be committed to the plan, and must be expected that the sale will be completed within a year.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. The equity method is discontinued for associated companies classified as held for sale.

A disposal group qualifies as discontinued operation if it is a cash generating unit that has either been disposed of, or is classified as held for sale, and represent a separate major line of business or geographical area of operations. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the income statement. Discontinued operations are also excluded from segment reporting. All consolidation procedures are still applicable, and only external revenues and expenses are shown as discontinued operations.

Key accounting judgment

Agreement to sell Telenor Pakistan

Telenor has signed an agreement to sell 100% of its telecom operations in Pakistan, Telenor Pakistan (Private) Limited, to Pakistan Telecommunications Company Ltd, the national telecommunications and ICT company in Pakistan. The agreement is subject to regulatory approvals and other customary terms and conditions. The highly probable threshold for classifying as held for sale according to IFRS, is considered by Telenor as significantly above 'more likely than not', but still lower than virtually certain. As there are uncertainties related to remaining regulatory approvals and other customary terms and conditions attached to the agreement, Telenor has evaluated that Telenor Pakistan should be classified as a continued operation (not "held for sale") as of 31 December 2023. However, the transaction is expected to close during 2024.

Discontinued operations and assets held for sale

dtac

On 1 March 2023, the amalgamation of the telecom operations True Corporation Public Company Ltd (True) and Total Access Communication Public Company Ltd (dtac) was completed. The name of the new company is True Corporation Public Company Ltd (True), which is listed on the stock exchange in Thailand. On completion, the shares in dtac were converted to shares in True leading to a loss of control in dtac. See note 35 for further information about the transaction. The gain recognised on the date of losing control over dtac amounts to NOK 18.5 billion, based on the market value of the combined entity as of opening of the Stock Exchange in Thailand 3 March 2023.

A gain of NOK 4.0 billion related to cumulative translation differences, loss of NOK 0.9 billion related to net investment hedge items (previously recognised in other comprehensive income) and the success fee to advisors of NOK 158 million have been included in the gain calculation.

Historical figures for dtac have been re-presented as discontinued operation and are as follow.

NOK in millions	2023	2022
Revenue	4 030	22 076
EBITDA	1 360	8 358
EBIT	368	2 203
Profit (loss) before tax	210	1 393
Income taxes	(185)	(95)
Profit (loss) after tax	25	1 298
Gain (loss) on disposal after tax	18 522	-
Profit (loss) from discontinued operations	18 546	1 298
Non-controlling interest	(19)	296

**Digi**

On 30 November 2022, the merger of the telecommunication operations of Celcom and Digi in Malaysia was completed. The new company is named CelcomDigi. On completion, Digi issued 3.96 billion shares to Axiata in addition to a cash payment of NOK 5.4 billion. The share issue diluted Telenor's ownership to 32.47% and Telenor lost control over Digi and Digi was deconsolidated and recognised as an associated company as of 30 November 2022. As part of the transaction to bring Telenor and Axiata to equal ownership, Telenor acquired at the same date 73.4 million shares from Axiata for an amount of NOK 667 million. Telenor's ownership after the transaction is 33.1% and CelcomDigi is accounted for as an associated company.

The gain recognised on the date of losing control over Digi amounts to NOK 32.7 billion. The gain was based on a market value of the combined entity as of opening 1 December 2022, which was NOK 34.1 billion for Telenor's interest in the new company CelcomDigi. The gain recognised in 2023 is an adjustment to the gain calculation due to an update of the closing balance as of 30 November 2022 for Digi. A gain of NOK 450 million related to cumulative translation differences and a loss of NOK 233 million related to net investment hedge items, previously recognised in other comprehensive income, have been reclassified and included in the gain calculation. The success fee to advisors of NOK 155 million has been included in the gain calculation.

Prior to closing of the transaction, Digi obtained funds through external borrowings to finance the cash payment to Axiata. This is reflected as a significant cash inflow in Telenor's consolidated cash flow as financing activities. As Telenor lost control in Digi, the cash balance is derecognised under investing activities in the cash flow statement. The derecognised cash balance of NOK 6.4 billion includes the funding for payment to Axiata of NOK 5.4 billion.

The historical profit (loss) for Digi presented as discontinued operation are as follows:

NOK in millions	2023	2022
Revenue		12 362
EBITDA		6 026
EBIT		3 586
Profit (loss) before tax		3 136
Income taxes		(1 004)
Profit (loss) after tax		2 132
Gain (loss) on disposal after tax	290	32 652
Profit (loss) from discontinued operations	290	34 784
Non-controlling interest		999

Telenor Myanmar

On 8 July 2021, Telenor Group entered into an agreement with M1 Group to sell 100 percent of its mobile operations in Myanmar for a total consideration of USD 105 million (approximately NOK 920 million), of which USD 55 million (approximately NOK 480 million) as deferred payment over five years. The transaction corresponded to an implied enterprise value of approximately USD 600 million (approximately NOK 5.2 billion). On 25 March 2022, Telenor completed the sale of Telenor Myanmar following the regulatory approval given 17 March 2022. In line with the sales and purchase agreement, Telenor received USD 50 million (NOK 0.5 billion) at closing and paid USD 4 million as transaction cost. In the third quarter 2022 Telenor received USD 28 million (NOK 0.3 billion) from M1 Group as a final settlement of the transaction, which represented the present value of the remaining USD 55 million deferred payment. The received deferred payment was recognised in the third quarter of 2022. The transaction has impacted the equity of Telenor Group positively with NOK 0.2 billion. However, the reclassification of accumulated losses related to translation differences earlier recognised in other comprehensive income impacted the income statement negatively with approximately NOK 0.8 billion, resulted in a net loss on disposal of NOK 0.6 billion. The derecognition of the cash balance in Telenor Myanmar and the total proceeds received have resulted in a net negative cash flow impact of around NOK 1.4 billion in 2022.

The historical profit (loss) for Telenor Myanmar presented as discontinued operation are as follows:

NOK in millions	2023	2022
Revenue		1 018
EBITDA		617
EBIT		617
Profit (loss) before tax		602
Income taxes		(50)
Profit (loss) after tax		553
Gain (loss) on disposal after tax		(589)
Profit (loss) from discontinued operations		(36)

Telenor India

On 23 February 2017, the Group entered into an agreement with Bharti Airtel Limited (Airtel), whereby Airtel would take full ownership of Telenor India. The transaction was completed on 14 May 2018. The exposure to claims related to the period Telenor owned the business remains with Telenor. A guarantee to Airtel was recognised at fair value as of closing date of the transaction, and subsequent changes to the estimate are recognised on the discontinued operations line in the income statement. During 2022, an additional provision of NOK 0.9 billion plus interests was recognised following reassessment of the demand from Department of Telecommunication (DoT). During 2023, incremental interest and related currency effect on the provision amounted to a loss of NOK 0.2 billion. During 2023, Telenor paid NOK 1.5 billion related to the disputed items with Department of Telecommunications in India, reducing the provision accordingly. See note 23 for further information regarding the dispute.

**Summary all disposal groups**

The profit (loss) of all disposal groups including dtac, Digi and Telenor Myanmar presented as discontinued operations until disposal, and subsequent adjustments:

NOK in millions	2023	2022
Revenue	4 030	35 457
EBITDA	1 360	15 001
EBIT	368	6 406
Profit (loss) before tax	210	5 130
Income taxes	(185)	(1 149)
Profit (loss) after tax	25	3 982
Gain (loss) on disposal after tax	18 590	31 248
Profit (loss) from discontinued operations	18 615	35 230
Non-controlling interest	(19)	1 295

The gain on disposal recognised in 2023 is mainly related to dtac and gain adjustment from Digi, offset by accruals of incremental interest and currency effects related to Telenor India. The gain on disposal recognised during 2022 was mainly related to Digi, partly offset by Telenor Myanmar and Telenor India.

Cashflow related to discontinued operations presented below are from external transactions and hence, the cash flows for discontinued operations do not reflect these operations as if they were standalone entities. Cash flow from investing activities include cash received related to disposal of shares net off the de-consolidation of cash and cash equivalents in disposed entity.

NOK in millions	2023			2022			
	dtac	India	Total	dtac	Digi	Myanmar	Total
Net cash flow from operating activities	1 014	(1 516)	(502)	7 408	5 451	612	13 471
Net cash flow from investing activities	4 047		4 047	(3 309)	(7 959)	(1 434)	(12 702)
Net cash flow from financing activities	(624)		(624)	(2 447)	2 922	(186)	288
Total cash flows from discontinued operations	4 437	(1 516)	2 921	1 652	414	(1 008)	1 057
Effects of exchange rate changes on cash and cash equivalents	107		107	90	14	1	105
Net cash flows from discontinued operations	4 545	(1 516)	3 029	1 742	428	(1 007)	1 162

Cash flows from discontinued operations in 2023 include dtac for the first two months of the year until its disposal as a subsidiary in addition to payment of success fee related to the transaction, and payment for disputed items related to India. For 2022, the discontinued cash flows include Digi from January to November until its disposal as a subsidiary, Telenor Myanmar from January to August and dtac for the whole year

As of 31 December 2023, Telenor Satellite and Telenor India are presented as held for sale with Telenor India related liability amounting to NOK 3.6 billion (NOK 4.7 billion as of 31 December 2022):

NOK in millions	31 December 2023	31 December 2022
Assets		
Right of use assets	105	
Property, plant and equipment	1 111	
Other non-current assets	26	
Trade and other receivables	92	
Other current financial assets	81	
Cash and cash equivalents	220	
Total assets classified as held for sale	1 635	
Liabilities		
Non-current liabilities	320	-
Current liabilities	3 954	4 735
Total liabilities held for sale	4 274	4 735

Accumulated amounts recognised in Other comprehensive income

The accumulated amounts for discontinued operations recognised in Other comprehensive income within Equity are as follows:

NOK in millions	2023	2022
dtac		3 802
Telenor India	(862)	(652)
Total gain (loss)	(862)	3 150

**NOTE 13 Cash flow information**

This note summarises the most significant cash inflows and outflows during the year, including significant investments and disposals in addition to payments of interest-bearing liabilities and leasing liabilities.

Accounting policies

Telenor presents the statement of cash flows using the indirect method. Cash inflows and outflows are shown separately for investing and financing activities, while operating activities include both cash and non-cash line items. Interest received and paid, and dividends received, are reported as a part of operating activities. Dividends distributed by Telenor ASA and subsidiaries with non-controlling interests are included as a part of financing activities. Value-added tax (VAT) and other similar taxes are regarded as collection of tax on behalf of authorities and are reported net. Discontinued operations are included in the cash flow statement and information about operating, financing, investing cash flows from discontinued operations is shown in note 12 Held for sale and discontinued operations.

Changes in net operating working capital

Changes in net operating working capital include changes in accounts receivable and accounts payable related to operating activities, and inventory.

NOK in millions	2023	2022
Inventory	235	(186)
Trade and other receivables	(121)	(1377)
Trade and other payables	(25)	174
Changes in net operating working capital	89	(1389)

Property, plant and equipment and intangible assets reconciliation of additions and purchases

NOK in millions	2023	2022
Additions to property, plant and equipment and (see note 17)	(10 329)	(13 789)
Additions to intangible assets (see note 15)	(2 724)	(3 092)
Additions to right-of-use assets (see note 16)	(5 572)	(9 963)
Lease liabilities	4 930	8 871
Change in estimates for ARO obligations	217	(856)
Changes in accounts payable and prepayments	(1 146)	(510)
Other Adjustments	(105)	41
Purchases of property plant and equipment and intangible assets (cash flow from investing activities)	(14 728)	(19 298)

Cash payments at or before lease commencement date and payments of initial direct costs are classified as cash outflows from investing activities. Subsequent payments during the lease term are classified as cash outflows from financing activities.

During 2023, the recognised lease liabilities of NOK 4.9 billion represent the deferred payments of total additions in right-of-use assets of NOK 5.6 billion, NOK 0.6 billion was paid at or before lease commencement date mainly relating to spectrum licences in Grameenphone and Norway, and prepayments of other lease contracts in Sweden, which is classified as cash outflow from investing activities. See note 16 Right-of-use assets for more information.

During 2022, the recognised lease liabilities of NOK 8.9 billion represent the deferred payments of total additions in right-of-use assets of NOK 10.0 billion, NOK 1.1 billion was paid at or before lease commencement date mainly relating to spectrum licences in Grameenphone, Pakistan and Norway, which is classified as cash outflow from investing activities. See note 16 Right-of-use assets for more information.

During 2023 changes in accounts payable and prepayments were mainly related to payments in Sweden, Pakistan and dtac, including the prepayment of NOK 0.4 billion in Sweden related to spectrum licenses acquired in the renewal auction. Acquired spectrum licenses has a commencement date 1 January 2026 when existing spectrum licenses expires. During 2022 changes in accounts payable and prepayments were mainly related dtac and Grameenphone.



Acquisitions and disposals of subsidiaries, associated companies and joint ventures

The table below shows the effects on the consolidated statement of financial position from disposals of subsidiaries, associated companies, and joint ventures.

NOK in millions	2023	2022
Disposals of subsidiaries, associated companies, and joint ventures		
Associated companies and joint ventures (refer to note 35)	19	432
Other non-current assets	40 793	15 302
Current assets	6 939	12 580
Liabilities	(39 427)	(24 144)
Non-controlling interests	(2 076)	(592)
Gains (losses) adjusted for translation differences on disposals ⁵⁾	16 047	33 515
Sales price	22 296	37 092
Of which non-cash	(16 105)	(33 292)
Proceeds received as sale consideration	6 190	3 798
Cash in subsidiaries disposed of	(1 146)	(8 460)
Proceeds from disposal of subsidiaries and associated companies net of cash disposed of	5 045	(4 662)

⁵⁾ Total gain (loss) adjusted for translation differences in 2023 excludes NOK 3.1 billion relating to reclassification of translation differences from other comprehensive income to the income statement, total gain including translation differences in the income statement equals NOK 19.2 billion. In 2022 the translation differences was 0.6 billion, total gain including translation differences in the income statement equals NOK 34.1 billion.

The proceeds from disposals of NOK 6.2 billion during 2023 relates to the sale of shares in dtac as a subsidiary of NOK 5.6 billion net of success fee related to the merger between dtac and True Corporation (see further details related to dtac transaction below), and the sale of the associated company Working Group Two of NOK 0.6 billion, see details in note 35 Associated Companies and Joint Arrangements.

The proceeds from disposals of 3.8 billion during 2022 relates to the disposal of fixed non-core assets in Sweden of NOK 2.9 billion, and the sale of Telenor Myanmar as a subsidiary of NOK 0.7 billion, the sale of the associated company Wave Money 0.4 billion (see details in note 35 Associated Companies and Joint Arrangements), partly offset by success fee of NOK 0.2 billion related to the merger of Digi with CelcomDigi.

The table below shows the effects on the consolidated statement of financial position from acquisition of subsidiaries, associated companies, and joint ventures.

NOK in millions	2023	2022
Purchases of subsidiaries associated companies, and joint ventures		
Investments in associated companies and joint ventures	22 306	35 089
Total purchase price and capital injections	22 306	35 089
Of which non-cash	(20 500)	(34 098)
Cash payments related to acquisitions	(1 806)	(991)
Purchases of subsidiaries associated companies and joint ventures net of cash acquired	(1 806)	(991)

During 2023, investments in associated companies and joint ventures of NOK 1.8 billion include NOK 1.7 billion related to acquiring ownership interest in True Corporation, see further details related to dtac transaction below.

During 2022, investments in associated companies and joint ventures of NOK 1.0 billion include NOK 0.7 billion related to acquiring ownership interest in CelcomDigi and NOK 0.2 billion related to capital injection in Telenor Microfinance Bank Limited (TMB), see note 35 Associated Companies and Joint Arrangements.

Purchases of other investments

Purchases of other investments in 2023 of NOK 7.0 billion relates to cash funding of a joint venture with Charoen Pokphand Group (CP Group) through shareholder loans. The purpose of the joint venture was to increase Telenor's ownership interest up to 30.2% into True Corporation. As of 31 December 2023 Telenor has an indirect ownership interest in True of 3.9%.

Total cash effect of dtac transaction

Telenor sold some of shares in dtac for NOK 5.7 billion and at the same time funded the joint venture with NOK 7.0 billion shareholder loans for acquiring ownership interest in True Corporation. In addition, Telenor paid NOK 1.7 billion for acquiring ownership interest in True Corporation. Success fee for the transaction was NOK 0.2 billion and the cash balance in the disposed company dtac was NOK 1.1 billion. Total negative cash effect for the transaction amounted to NOK 4.3 billion. see details in note 35 Associated Companies and joint arrangements and 12 Held for sale and discontinued operation.

Sale of shares to non-controlling interest

During 2023, the proceeds from the sale of shares to non-controlling interest of NOK 10.7 billion net of success fee relates to the 30% divestment of Telenor Fiber AS to non-controlling interest, see details in note 28 Equity.



Reconciliation of interest bearing liabilities

NOK in millions	2023			2022		
	Interest-bearing liabilities	Lease liabilities	Total	Interest-bearing liabilities	Lease liabilities	Total
Balance as of 1 January	91 893	31 091	122 984	97 087	35 077	132 164
Cash flow from Financing activities						
Proceeds from borrowings	20 091	-	20 091	20 956	-	20 956
Repayments of borrowings	(11 068)	-	(11 068)	(21 044)	-	(21 044)
Payments of lease liabilities related to spectrum licences	-	(1 886)	(1 886)	-	(2 483)	(2 483)
Payments of lease liabilities related to other lease contracts	-	(3 583)	(3 583)	-	(5 589)	(5 589)
Net cash flow from financing activities	9 023	(5 469)	3 554	(88)	(8 072)	(8 160)
Change due to hedge accounting	53	-	53	(585)	-	(585)
Effects from exchange rate fluctuations	5 677	754	6 431	5 138	744	5 882
Net interest paid/accrued	(172)	74	(98)	205	277	483
Acquisitions	-	-	-	-	-	-
Disposals	(19 060)	(13 502)	(32 562)	(10 490)	(5 359)	(15 849)
New lease contracts	-	4 930	4 930	-	8 871	8 871
Termination and reassessment of lease contracts	-	(478)	(478)	-	(589)	(589)
Classified as liabilities held for sale	(116)	(120)	(236)	-	-	-
Other	177	26	204	627	141	767
Other changes	(13 441)	(8 314)	(21 756)	(5 106)	4 085	(1 020)
Balance as of 31 December	87 475	17 308	104 783	91 893	31 091	122 984
Non-current liabilities	75 686	13 201	88 887	82 723	24 417	107 141
Current liabilities	11 789	4 107	15 896	9 169	6 674	15 843

Cash flow from financing activities consists of proceeds from and repayments of borrowings, including repayments of principal portion of lease liabilities. Net cash inflow from financing activities excluding repayments of lease liabilities amounted to NOK 9.0 billion in 2023 compared to NOK - 0.1 billion in 2022, mainly explained by bond issuances under the EMTN program in 2023 see note 30 Interest-Bearing Liabilities.

Cash payments related to lease contracts

NOK in millions	Classification in cash flow statement	2023	2022
Payments of lease liabilities – principal portion	Financing activities	5 469	8 072
Payments of lease liabilities – interest portion	Operating activities	867	1 060
Payments of variable, short term and low value leases	Operating activities	2 468	3 114
Prepayments made at or before lease commencement	Investing activities	1 131	803
Total cash outflow		9 935	13 050

Repayments of the principal portion related to total lease liabilities in 2023 of NOK 5.5 billion (NOK 8.1 billion in 2022) include instalment payment of spectrum licences of NOK 1.9 billion (NOK 2.5 billion in 2022) and repayments of other leases of NOK 3.6 billion (NOK 5.6 billion in 2022). The instalment payments of spectrum licences in 2023 and 2022 were mainly in dtac, Grameenphone, Norway and Pakistan. Lease payments related to other lease contracts were mainly in dtac, Sweden, Finland, Pakistan, Grameenphone and Infrastructure in 2023 whereas in 2022 it was mainly in dtac, Sweden, Digi, Pakistan and Grameenphone.

Repayments of the interest portion of total lease liabilities in 2023 of NOK 0.9 billion include repayments of interest related to spectrum licences of NOK 0.4 billion (NOK 0.4 billion in 2022) and repayments of interest related to other lease contracts of NOK 0.5 billion (NOK 0.7 billion in 2022).

Payments of variable, short term and low value leases of NOK 2.5 billion (NOK 3.1 billion in 2022) include variable lease payments of NOK 2.4 billion (NOK 2.8 billion in 2022) and payments of short term and low value leases of NOK 0.1 billion (NOK 0.2 billion in 2022).

Prepayments of investing activities of NOK 1.1 billion in 2023 included a payment of NOK 0.3 billion in Grameenphone related to Market Capitalisation Fund, see note 16 Right-of-use assets and NOK 0.4 billion in Sweden related to spectrum licenses acquired in the renewal auction. Prepayments of investing activities of NOK 0.8 billion in 2022 mainly related to spectrum licenses in Grameenphone and Norway.

NOTE 14 **Goodwill**

Goodwill relates to excess values that have not been allocated to other assets in business combinations. Goodwill typically represents the value of synergies, employees and other assets that do not qualify for recognition as separate identifiable assets according to IFRS Accounting Standards. Goodwill is not amortised but tested for impairment together with other assets in cash-generating units, refer to note 18 for further information about impairment of assets.

Accounting policies

Goodwill arises in business combinations as the difference between the consideration and the acquired business' identifiable assets and assumed liabilities at the acquisition date. Assets and liabilities are generally recognised at fair value, except for non-current assets classified as held for sale and deferred taxes which are recognised at nominal value. The fair value of any previously held equity interests and the amount of any non-controlling interest is also included when determining the amount of goodwill. The fair value assessment of assets and liabilities in a business combination involves various valuation techniques that include assumptions on future revenues, net income, outcome of legal claims and other variables. Telenor always use external valuation experts to assess the fair value of assets and liabilities in significant business combinations. For more information about the impairment testing of goodwill, see note 18 Impairment.

Origination of goodwill

The table below illustrates where the goodwill has originated and the development in carrying amounts.

NOK in millions	Telenor Sweden	dtac Thailand	DNA Finland	Other ¹⁾	Sum
Accumulated cost					
As of 1 January 2022	6 317	3 323	16 594	1 497	27 730
Re-allocation of goodwill	(106)	-	(1375)	1 481	-
Translations differences	(186)	241	843	61	959
Derecognised on disposal of subsidiaries	(475)	-	-	(604)	(1079)
As of 31 December 2022	5 550	3 564	16 062	2 434	27 609
Translations differences	369	240	1 028	106	1 742
Derecognised on disposal of subsidiaries	-	(3 804)	-	-	(3 804)
As of 31 December 2023	5 918	-	17 090	2 539	25 548
Accumulated impairment					
As of 1 January 2022	(259)	-	-	(24)	(283)
Translations differences	8	-	-	-	8
As of 31 December 2022	(251)	-	-	(24)	(275)
Translations differences	(17)	-	-	-	(17)
Impairment	-	-	-	(24)	(24)
As of 31 December 2023	(268)	-	-	(48)	(316)
Carrying amount					
As of 31 December 2023	5 650	-	17 090	2 491	25 231
As of 31 December 2022	5 298	3 564	16 062	2 411	27 335

¹⁾ Other includes goodwill allocated mainly to Infrastructure and Telenor Norway.



NOTE 15 Intangible assets

A significant part of intangible assets relates to software either acquired individually, generated internally or acquired in business combinations. Intangible assets also include customer bases and trademarks in addition to other intangible assets.

Accounting policies

Intangible assets acquired individually are measured initially at cost and recognised as an intangible assets when control has been obtained over the asset, future economic benefits are expected to flow to the entity and the cost can be measured reliably. The cost to be capitalised as part of the assets includes direct and incremental costs and, for qualifying assets, borrowing costs. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. Following that initial recognition, intangible assets are carried at cost less accumulated amortisation and any impairment losses. The straight-line amortisation method is used for most intangible assets as this best reflects the consumption of the assets. The amortisation period for a customer base is the expected lifetime of the customer relationship, and the amortisation method is based on historical experience of churn (customers ending their relationship) for the different businesses. The useful lives and amortisation methods are reviewed at least annually. Refer to note 18 for further information about impairment.

Intangible assets

NOK in millions	Customer base	Trade-marks ¹⁾	Software acquired	Internally generated software	Others	Work in progress ²⁾	Total
Accumulated cost							
As of 1 January 2022	2 369	6 041	20 510	4 677	1 438	1 178	36 212
Reclassifications ³⁾	-	-	1 017	415	31	(1 448)	15
Additions	-	-	1 129	-	36	1 819	2 984
Additions internally developed	-	-	-	99	9	-	108
Translation differences	87	356	81	(26)	(21)	1	478
Derecognition	-	(158)	(2 752)	(153)	(378)	(275)	(3 716)
As of 31 December 2022	2 456	6 240	19 985	5 011	1 115	1 275	36 081
Reclassifications ³⁾	1	-	776	659	(626)	(1 465)	(654)
Additions	53	-	1 393	-	30	1 076	2 552
Additions internally developed	-	-	-	161	11	-	172
Translation differences	141	391	359	146	54	18	1 110
Derecognition	-	11	(1 118)	(63)	(154)	-	(1 324)
Reclassified to assets held for sale	-	(1 936)	(2 471)	-	(1)	(60)	(4 468)
As of 31 December 2023	2 652	4 706	18 923	5 915	429	846	33 469
Accumulated amortisation and impairment							
As of 1 January 2022	(1 184)	(2 908)	(16 954)	(3 651)	(1 323)	-	(26 017)
Reclassifications ³⁾	-	-	1	-	3	-	4
Amortisation - continuing operations	(238)	-	(1 649)	(604)	(70)	-	(2 562)
Amortisation - discontinued operations	-	-	(509)	-	-	-	(509)
Translation differences	(40)	(189)	(17)	10	23	-	(214)
Derecognition	-	147	2 273	138	378	-	2 936
As of 31 December 2022	(1 463)	(2 949)	(16 884)	(4 108)	(990)	-	(26 392)
Reclassifications ³⁾	-	-	3	-	638	-	640
Amortisation - continuing operations	(260)	-	(1 781)	(678)	(65)	-	(2 786)
Amortisation - discontinued operations	-	-	(57)	-	-	-	(57)
Translation differences	(75)	(181)	(288)	(96)	(51)	-	(690)
Derecognition	-	(11)	1 045	59	153	-	1 247
Reclassified to assets held for sale	-	1 936	1 911	-	1	-	3 849
As of 31 December 2023	(1 799)	(1 205)	(16 050)	(4 823)	(314)	-	(24 190)
Carrying amount							
As of 31 December 2023	853	3 501	2 873	1 092	(449)	846	9 279
As of 31 December 2022	993	3 291	3 101	904	125	1 275	9 689
Amortisation periods in years	3-20	-	3-7	3	3-5	-	-

¹⁾ Trademarks have indefinite useful lives.

²⁾ The additions line items represent net additions of work in progress during the financial year. Work in progress capitalised and activated within the same financial year is shown as additions in the relevant asset categories in this table.

³⁾ Including reclassifications to/from other lines in the statement of financial position which are not a part of this table.



NOTE 16 Right-of-use assets

Telenor has chosen to account for the right to use the spectrum as a lease, where the identified asset is the frequency band that is exclusive for Telenor in the lease period. Telenor also leases passive infrastructure such as towers and cables in addition to land and property. Refer to note 29 Lease liabilities for more information.

Accounting policies

A lease liability and a right-of-use asset is recognised at commencement date in lease contracts where Telenor has the right to direct the use and obtains substantially all the economic benefits from the use of an identified asset. For spectrum contracts, Telenor has chosen to account for the right to use the spectrum as a lease, where the identified asset is the frequency band that is exclusive for Telenor during the lease term. Lease payments on short-term leases (less than 12 months) and low-value asset leases (mainly small non-core leases) are generally expensed on a straight-line basis over the lease term. The short-term exemption does not apply to spectrum leases or leases with purchase options.

The lease liability represents the net present value of lease payments over the lease term and include fixed payments, in-substance fixed payments, non-lease components, residual value guarantees and lease incentives. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised and termination penalties when termination is expected. Variable lease payments such as licence payments based on revenue sharing arrangements are expensed as incurred.

The incremental borrowing rate generally used to determine the net present value is based on the respective country's risk-free rate for the term corresponding to the lease term, adjusted for own credit risk. Subsidiaries with external financing use the external borrowing rate corresponding to the lease term.

Key accounting judgment

Determining the lease term can involve significant judgment for lease contracts with extension or termination options, as an assessment of whether or not it is reasonably certain that the lease period will be extended is required. The broader economics of the contract and not only contractual termination payments are basis for such assessment. For lease of land for own towers or leasing of towers from tower companies or other operators, factors considered in particular for assessing the lease term are technology development and potential changes in business models. Based on an assessment of these factors, the lease term for Telenor's leases relating to sites will normally be within a range of 4 to 7 years. This means that the lease term for sites with renewal options shall normally be the higher of a non-cancellable period or within a range of 4 to 7 years. Some sites may be in strategically important locations and it might be more than reasonably certain that the sites will be maintained beyond 7 years. In these cases, the lease term may be up to 10 years.

Key sources of estimation uncertainty

The non-cancellable lease period is basis for the lease liability, and periods covered by options to extend or terminate the lease are included only when it is reasonably certain the lease period will be extended. The lease liability is remeasured if the lease term or lease payments change, or there are other significant event or significant change in circumstances. Significant amounts paid up-front on spectrum and other lease contracts are recognised as prepayment until commencement date. Non-refundable value-added tax is included as initial direct cost. The right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.



Right-of-use assets

Right-of-use assets are classified based on the nature of underlying assets as follow:

NOK in millions	Spectrum licences ¹⁾	Network passive infrastructure	Cables	Land	Buildings	Others	Total
Accumulated cost							
As of 1 January 2022	50 237	16 197	4 054	5 747	4 099	270	80 604
Additions	4 845	2 435	1 026	716	816	125	9 963
Derecognition	(766)	(1 258)	(291)	(507)	(330)	(28)	(3 180)
Reclassifications	1	(99)	(17)	-	(20)	-	(135)
Translation differences	287	133	(160)	112	73	3	447
Disposal of companies	(5 729)	(4 157)	(25)	(1 271)	(60)	(2)	(11 243)
As of 31 December 2022	48 875	13 251	4 586	4 797	4 579	368	76 456
Additions	678	2 624	1 059	506	554	151	5 572
Derecognition	(33)	(810)	(168)	(376)	(423)	(20)	(1 830)
Disposal of companies	(22 738)	(4 704)	(133)	(2 926)	(636)	(28)	(31 164)
Reclassifications	(6)	6	11	2	70	7	91
Translation differences	198	11	95	26	142	5	477
Reclassified to assets held for sale	-	(11)	(5)	-	-	(194)	(210)
As of 31 December 2023	26 974	10 367	5 445	2 030	4 285	289	49 391
Accumulated depreciation							
As of 1 January 2022	(16 954)	(5 986)	(2 156)	(2 247)	(1 631)	(66)	(29 039)
Depreciation - continuing operations	(1 955)	(1 420)	(456)	(335)	(568)	(67)	(4 800)
Depreciation - discontinued operations	(1 667)	(1 387)	(39)	(664)	(167)	(9)	(3 932)
Impairment - continuing operations	-	(576)	(93)	(272)	(22)	-	(963)
Derecognition	740	1 010	144	322	332	26	2 574
Reclassifications	(18)	133	(44)	-	19	-	90
Translation differences	85	(4)	82	(23)	(34)	(2)	105
Disposal of companies	2 869	1 748	20	530	27	2	5 195
As of 31 December 2022	(16 900)	(6 482)	(2 540)	(2 688)	(2 043)	(116)	(30 770)
Depreciation - continuing operations	(2 085)	(1 504)	(653)	(296)	(630)	(86)	(5 254)
Depreciation - discontinued operations	(247)	(153)	(8)	(80)	(28)	(2)	(517)
Derecognition	34	540	96	376	278	19	1 344
Disposal of companies	7 284	2 328	45	1 451	388	12	11 508
Reclassifications	6	(5)	(11)	(2)	(71)	(7)	(91)
Translation differences	127	76	(43)	32	(74)	(3)	116
Reclassified to assets held for sale	-	3	1	-	-	101	105
As of 31 December 2023	(11 780)	(5 197)	(3 113)	(1 207)	(2 180)	(82)	(23 560)
Carrying amount							
As of 31 December 2022	31 975	6 769	2 046	2 109	2 535	251	45 686
As of 31 December 2023	15 194	5 170	2 332	823	2 105	207	25 831
Weighted average remaining lease term							
As of 31 December 2022 ¹⁾	-	5	7	5	9	3	-
As of 31 December 2023 ¹⁾	-	6	8	5	10	3	-
Related lease liability disaggregated per class of right-of-use assets							
As of 31 December 2022	14 878	7 082	1 619	3 263	4 004	245	31 091
As of 31 December 2023	5 176	5 540	1 858	1 128	3 414	192	17 308

¹⁾ See table below for overview spectrum licences, including lease term.

For lease of network passive infrastructure (lease of tower space in networks and lease of part of buildings for own towers), land for own sites or towers and lease of buildings for office spaces, equipment and retail stores, lease agreements generally contain termination options or renewal options. These options are used to limit the period to which Telenor is committed to individual lease contracts and to maximise operational flexibility in terms of dynamic network requirements. The remaining non-cancellable period for lease contracts under network passive infrastructure is 3 years on average. The non-cancellable period for lease contracts related to land is 2 years on average.

As a result of deteriorating macro-economic situation in Pakistan, an impairment of NOK 963 million related to right-of-use assets was recognised in 2022. Please see note 18 Impairment of assets for further information.

The additions of spectrum licences in 2023 were related to renewal of spectrum under 1800 MHz band in Norway and capitalisation of Market Capitalisation Fund related to spectrum acquired in 2011 in Grameenphone. The additions of spectrum licences in 2022 were related to additional spectrum fee of NOK 1.7 billion in Pakistan, see further Note 23 Legal disputes and contingencies for more information. Moreover, the additions were related to acquisition of spectrum under 3500 MHz in Norway, 2100 MHz in Denmark, and 2500 MHz in Grameenphone.



In 2023, the additions in network passive infrastructure were mainly related to infrastructure site sharing leases in Grameenphone, business growth and new leases in Finland and increase of mobile network in Sweden. The additions in cables were mainly in Sweden and Grameenphone. The additions in building were mainly related to Telenor Real Estate, Telenor Sweden, and Telenor Finland. The additions in land were mainly related to contract renewal of land in Telenor Infra.

In 2022, the additions in network passive infrastructure were mainly related to site leases from tower companies in Grameenphone, contract renewal of CAT equipment lease in dtac, tower spaces and part of building for own towers in Norway and Finland. The additions in building were mainly related to Telenor Real Estate, Telenor South East Asia Investment Pte Ltd., Telenor Sweden and Telenor Denmark. The additions in land were mainly related to land for own sites in dtac and Pakistan.

For lease of spectrum, the agreements are generally non-cancellable. Telenor has not considered periods covered by renewal options even if in some agreements the option to renew exists, given the uncertainty around terms and conditions of renewal of licences.

Spectrum licences

The following table sets forth the spectrum licences that Telenor holds as of 31 December 2023:

Spectrum (MHz)	Bandwidth (MHz)	Spectrum expiration
Telenor Norway		
700	2x10	2039
800	2x10	2033
900	2x15	2033
1800	2x10 + 2x20	2028/2033
2100	2x20	2032
2600	2x40	2042
3500	120	2042
Telenor Sweden		
700	2x10 ¹⁾	2040
800	2x10 ¹⁾	2035
900	2x6 ¹⁾ + 2x5	2025
900	2x10 ¹⁾	(2026)->2048 ³⁾
1800	2x20 ¹⁾ + 2x10 ¹⁾	2027/2037
2100	2x19.8 + 1x5	2025
2100	2x20 ¹⁾	(2026)->2050 ³⁾
2600	2x40 ¹⁾	2025
2600	2x30 ¹⁾	(2026)->2050 ³⁾
3500	100 ¹⁾	2045
Telenor Denmark		
700	2x5 ²⁾	2040
800	2x10 ²⁾	2034
900	2x10 ²⁾	2034
1500	45 ²⁾	2042
1800	2x25 ²⁾	2032
2100	2x20 ²⁾	2042
2600	2x20 + 1x10	2030
3500	1400 ²⁾	2042
26000	600 ²⁾	2042
DNA, Finland		
700	2x10	2033
800	2x10	2033
900	2x11.6	2033
1800	2x24.8	2033
2100	2x19.8	2033
2600	2x20	2029
3500	130	2033
26000	800	2033
Grameenphone, Bangladesh		
900	2x7.4	2026
1800	2x7.2 + 2x7.4 + 2x0.4	2026
1800	2x5	2033
2100	2x10	2026
2100	2x10	2028
2500	60	2033
Telenor Pakistan		
850	2x10	2031
900	2x4.8	2034
1800	2x8.8	2034
2100	2x5	2029

¹⁾ The licenses are held by Net4Mobility (a joint operation with Tele 2, owned 50% by Telenor).

²⁾ The licenses are held by TT Netværket (a joint operation with Telia, owned 50% by Telenor).

³⁾ "Extension" of the license that expires. Acquired in 2023, valid from 2026 onwards.



Lease expenses

Expenses recognised in the income statement related to lease contracts are presented below:

NOK in millions	Classification in income statement	2023	2022
Depreciation of right-of-use assets	Depreciation and amortisation	5 254	4 794
Interest expenses on lease liabilities	Financial expenses (note 9)	895	666
Variable lease expenses not dependent on index or rate	Other operating expenses (note 6)	1 795	1 857
Variable lease expenses not dependent on index or rate	Cost of materials and traffic charges (note 4)	463	348
Expenses relating to short term leases	Other operating expenses (note 6)	70	49
Expenses relating to low value leases	Other operating expenses (note 6)	15	13
Total		8 491	7 726

Total variable lease expenses of NOK 2.3 billion (NOK 2.2 billion in 2022) recognised in other operating expenses and cost of material and traffic charges include NOK 0.9 billion (NOK 0.9 billion in 2022) related to spectrum and NOK 0.7 billion (NOK 0.6 billion in 2022) related to other lease contracts. Variable lease expenses related to spectrum agreements vary mainly with revenue, as a significant part of the expenses are based on share of revenues under the agreements. Variable lease expenses related to other lease contracts of NOK 0.7 billion (NOK 0.6 billion in 2022) represent mainly energy charges paid to lessors as part of the lease agreements for some mobile sites, and the expenses vary with the consumption of energy on those mobile sites in addition to changes in prices.

NOTE 17 Property, plant and equipment

The majority of the property, plant and equipment (PPE) in Telenor relate to investments in network equipment and infrastructure, including base stations, cables, fibre and radio equipment. Other assets include equipment for cable TV and satellites in addition to buildings, land and administrative assets.

Accounting policies

Property, plant and equipment are recognised at cost less accumulated depreciation and any impairment losses. The cost includes borrowing costs for qualifying assets. If Telenor has a legal or constructive obligation to dismantle, remove and restore a site, an asset retirement obligation (ARO) is recognized with a corresponding increase in the related asset within property, plant and equipment. Refer to note 22 Provisions and obligations for further information. Estimated useful lives for similar types of assets may vary between different geographical areas due to factors such as growth rate, maturity of the market, history and expectations for replacements or transfer of assets, climate and quality of components used. Estimated useful life, depreciation method and residual value are evaluated at least annually. The straight-line depreciation method is used as this best reflects the consumption of the assets, which often is the passage of time. Residual value is estimated to be zero for most assets, except for some commercial buildings and vehicles that are not expected to be used for the whole economic life. Refer to note 18 Impairment for assets for further information.

Key sources of estimation uncertainty

Depreciation expenses are based on management's estimates of depreciation method, useful life and residual value. Estimates may change due to technological developments, competition, changes in market conditions, geopolitical developments, climate change and other factors. In particular, technological developments are difficult to predict as trends and pace of development may change over time. ARO is a significant estimate as there is significant uncertainty related to the timing of the removal and restoration of the sites, whether the restoration actually will take place and to future price development as the work will take place well into the future. See note 22 Provisions and obligations for further information about the asset removal obligation. Climate changes can potentially lead to destruction of assets from flooding, fires or other natural disasters. Climate changes and increased focus on sustainable businesses may impact technological development, markets and economic or legal environment which are critical estimates in the evaluations of useful lives. A change in estimated useful life is a change in accounting estimate, and depreciation plans are adjusted prospectively. Refer to note 18 Impairment for assets for further information.



Property, plant and equipment

NOK in millions	Local, regional and trunk networks	Mobile telephone network	Subscriber equipment	Switches and equipment	Radio installations	Cable-TV equipment	Buildings	Land	Corporate administrative assets	Satellites	Work in progress ¹⁾	Total
Accumulated cost												
As of 1 January 2022	63 671	39 236	3 028	14 530	43 837	6 293	6 386	660	10 262	5 007	7 326	200 235
Reclassifications ²⁾	1 321	2 496	(15)	283	2 294	34	(548)	(40)	702	-	(6 551)	(24)
Additions	1 842	547	582	361	2 438	48	90	18	771	-	7 093	13 789
Translation differences	542	109	(21)	(47)	397	(19)	30	7	(85)	-	39	953
Derecognitions	(5 420)	(8 952)	(837)	(3 027)	(10 574)	(371)	(464)	(67)	(1 945)	-	(408)	(32 064)
As of 31 December 2022	61 956	33 435	2 737	12 099	38 393	5 985	5 494	578	9 705	5 007	7 500	182 888
Reclassifications ²⁾	907	4 432	219	109	(2 653)	393	33	(2)	522	2	(3 299)	664
Additions	1 541	1 434	577	418	2 540	35	89	4	685	-	3 006	10 329
Translation differences	705	521	58	27	253	33	22	4	44	-	147	1 816
Derecognitions	(3 703)	(11 204)	(825)	(4 646)	(20 604)	(56)	(881)	(327)	(1 788)	-	(783)	(44 817)
Reclassified to assets held for sale	-	(40)	(21)	(572)	-	-	(90)	(6)	(25)	(5 009)	(13)	(5 776)
As of 31 December 2023	61 406	28 578	2 746	7 436	17 929	6 391	4 666	251	9 144	-	6 559	145 104
Accumulated depreciation and impairment losses												
As of 1 January 2022	(41 383)	(24 335)	(1 711)	(12 475)	(28 283)	(4 447)	(4 450)	(2)	(6 732)	(3 648)	-	(127 468)
Reclassifications ²⁾	(119)	(583)	91	34	39	-	541	-	2	-	-	4
Depreciation - continuing operations	(2 331)	(2 033)	(862)	(511)	(2 655)	(309)	(174)	-	(679)	(202)	-	(9 756)
Depreciation - discontinued operations	(477)	(1 265)	-	(283)	(1 924)	-	(42)	-	(167)	-	-	(4 156)
Impairment - continuing operations	(179)	(606)	-	(103)	(399)	-	(108)	(38)	(77)	-	-	(1 509)
Translation differences	(78)	123	15	67	(145)	14	(17)	3	129	-	-	110
Derecognition	4 234	6 259	836	2 657	9 235	369	195	-	1 762	-	-	25 546
As of 31 December 2022	(40 332)	(22 440)	(1 631)	(10 615)	(24 132)	(4 373)	(4 056)	(38)	(5 762)	(3 850)	-	(117 229)
Reclassifications ²⁾	(171)	(362)	12	-	2 186	(475)	(62)	-	(1 774)	-	-	(648)
Depreciation - continuing operations	(1 799)	(2 315)	(812)	(457)	(1 999)	(284)	(94)	-	(524)	(208)	-	(8 494)
Depreciation - discontinued operations	(39)	(111)	-	(17)	(202)	-	(6)	-	(15)	-	-	(389)
Translation differences	(149)	(291)	(37)	(9)	27	(24)	(4)	6	109	-	-	(372)
Derecognition	2 230	6 044	828	4 111	13 365	55	783	3	1 578	-	-	28 997
Reclassified to assets held for sale	-	26	-	486	-	-	77	-	14	4 058	-	4 661
As of 31 December 2023	(40 261)	(19 449)	(1 641)	(6 501)	(10 757)	(5 101)	(3 363)	(29)	(6 373)	-	-	(93 474)
Carrying amount												
As of 31 December 2023	21 145	9 128	1 105	935	7 172	1 290	1 303	222	2 771	-	6 559	51 631
As of 31 December 2022	21 623	10 995	1 106	1 485	14 260	1 612	1 438	540	3 943	1 157	7 500	65 659
Depreciation periods, years ³⁾	3-30	5-20	3	3-7	5-15	3-15	5-30	-	2-10	17	-	-

¹⁾ The Additions line items represent net additions of work in progress during the financial year. Work in progress capitalised and activated within the same financial year is shown as Additions in the relevant asset categories in this table.

²⁾ Including reclassifications to/from other lines in the statement of financial position which is not a part of this table.

³⁾ Asset categories presented in this movement schedule is an aggregated total from different asset components belonging to a particular category, and the disclosed depreciation rates represent a range of useful lives allocated to components.



NOTE 18 Impairment of assets

Telenor has significant investments in the network and infrastructure required to operate in the telecom industry, such as base stations, networks and radio equipment. Other significant classes of assets include goodwill, customer bases and software. Goodwill is tested for impairment annually or when impairment indicators are present. Telenor did not recognise any significant impairments related to consolidated entities in 2023, but had an impairment related to its operations in Pakistan of NOK 2.5 billion in 2022.

Accounting policies

Impairment indicators are assessed at each reporting date for individual assets and Cash Generating Units (CGUs), and impairment testing is performed if any indicators are identified. Goodwill, intangible assets with indefinite useful life and intangible assets not yet brought into use are assessed for impairment annually or when impairment indicators are identified. Identification of Telenor's main CGUs is based on the countries where Telenor operates its fixed and mobile operations and its tower operations. The CGU may include both fixed and mobile operations as they are monitored and reported as one operating unit. Goodwill arising from acquisitions are allocated to the respective CGU and included in the impairment test. Fair values are used in the CGU testing when these are available, for example when the CGU is a listed company. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a discount rate based on the Weighted Average Cost of Capital (WACC) rate. The WACC reflects current market assessments of the time value of money and the risks specific to the asset or the CGU to which the asset belongs. Impairments are recognised by reducing carrying amount of goodwill first before other assets are reduced on a pro-rata basis. Impairments of goodwill are not reversed.

Key accounting judgments

Impairment triggers

Significant management judgment is used when assessing impairment triggers at each reporting date. The following factors are assessed: significant fall in market values; significant underperformance relative to historical or projected future operating results; significant changes in the use of the assets or the strategy for the overall business, including assets that are decided to be phased out or replaced and assets that are damaged or taken out of use; significant negative industry or economic trends; significant loss of market share; significant adverse political and/or regulatory development including unfavourable court decisions and significant cost overruns in the development of assets.

Value-in-use

The assessment of value-in-use includes significant management judgments and estimates, including determining the discount rate (WACC), estimating future performance, revenue generating capacity of the assets, margins, prices on future renewals of spectrum licences, political and regulatory risk, required maintenance capex, network costs and technological developments, and assumptions of the future market conditions. There are significant variations between different markets with respect to growth, mobile penetration, Average Revenue Per User (ARPU), market share, inflation, regulatory costs, and technological development, resulting in differences in EBITDA margins, future investments, and long terms growth assumptions. In some markets, certain expenses and capex are denominated in foreign currency and impacted by currency fluctuations. Recessionary effects and increased macroeconomic risks may impact the estimates of growth, future performance and discount rates used in estimating recoverable amounts of assets. Discount rates are impacted by several macroeconomic factors including borrowing rates, country risk, inflation assumptions and currency development. For assumptions used, external evidence has been taken into consideration.

Climate-related risks

Telenor is exposed to climate-related physical risks such as potential damage to infrastructure and utilities through the impact of more extreme weather events and rising sea levels. Climate-related regulatory risks include potentially higher operational costs due to increasing carbon taxes and energy/fuel taxes, as well as risks of higher capital expenditures due to a required transition towards the use of renewable energy solutions and energy efficient networks. Climate-related risks are considered in the cash flow projections and in impairment indicators.

Key sources of estimation uncertainty

Cash flows

Discounted cash flow models have been applied to determine the value-in-use for CGUs. The cash flows are based on the most recent financial forecasts approved by management. Management has projected cash flows based on financial forecasts and strategy plans covering the period 2024-2026 for DNA and Telenor Pakistan. The cash flows beyond the explicit forecast period have been extrapolated into perpetuity using a constant nominal growth rate to arrive at the terminal value. The estimates of value in use have been compared to market valuation and multiples for peers in the telecommunication business for reasonableness.

Growth rates

The expected growth in revenue, EBITDA, and EBITDA margin for a cash-generating unit is based on historical performance, expected development in the market in which the entity operates and assumptions in terms of development in market share. The growth rates applied in the explicit forecast period converge from its current level experienced over the last few years to the long-term growth level in the market where the entity operates. The growth rates used to extrapolate cash flow projections beyond the explicit forecast period are not higher than the average expected long-term growth in the markets in which the entities operate. In periods with relatively low discount rates, the estimated growth rates used in the projections might be determined significantly below the average expected long term growth observed in the market.

Average Revenue Per User (ARPU)

ARPU is a measure for average revenue per subscription per month, which is a key component when estimating revenue growth. ARPU is calculated based on mobile revenues from the company's own subscriptions, divided by the average number of subscriptions for the relevant period. ARPU is estimated based on the current ARPU level and expected future market development.

**EBITDA margin¹⁾**

The EBITDA margin is estimated based on the current margin level and expected future market development. Committed or implemented operational efficiency programmes are included. Changes in the outcome of these initiatives may affect future estimated EBITDA margins.

Capital expenses (capex)¹⁾ and spectrum licences

A normalised level of capex as a percentage of revenues (capex/revenues) is assumed in the long run. Changes in traffic volumes and number of subscriptions during a growth phase will affect the future capex/revenues ratio. Estimated capex reflect the level of capex needed for maintaining current operation. Costs related to future spectrum acquisitions are estimated based on historical levels of spectrum costs compared to revenue included in the assessment of future spectrum prices. Telenor also takes into consideration the development in neighbouring countries and more advanced markets for potential spectrum auctions in emerging markets.

Discount rates

Discount rates are based on Weighted Average Cost of Capital (WACC) derived from the Capital Asset Pricing Model (CAPM). In economies where the risk-free yields are considered unreliable, the WACC rates used in discounting the future cash flows are based on a US 30-year risk-free interest rate, adjusted with a country risk premium and the inflation differential between the US and the relevant country. The discount rates consider the debt premium, market risk premium, gearing, corporate tax rate, inflation, and asset beta. For CGUs in economies with significant inflation difference from the USD in the coming years, rolling discount rates are applied.

¹⁾ Refer to page 225 for description of alternative performance measures.

Cash Generating Units (CGUs) with significant goodwill

The goodwill allocated to each CGU is shown in note 14 Goodwill. The recoverable amounts for CGUs with significant goodwill have been determined based on the following discount rates and terminal value nominal growth rates for 2023 and 2022:

	Discount rate after tax (%)		Discount rate pre-tax (%)		Nominal growth in cash flow in terminal value (%)	
	2023	2022	2023	2022	2023	2022
Telenor Sweden	6.8	6.7	8.6	8.5	2.0	1.9
DNA	7.1	6.8	8.8	8.5	2.0	2.3

The estimated cash flows and corresponding discount rates are after tax in the value-in-use calculation. The recoverable amounts would not change significantly if pre-tax cash flows and pre-tax discount rates had been applied instead.

Impairment in 2023 and 2022

Telenor did not recognise any significant impairments for CGUs in 2023. In 2022, Telenor recognised an impairment of assets of NOK 2.5 billion related to Telenor Pakistan. On 14 December 2023, Telenor announced the sale of Telenor Pakistan to Pakistan Telecommunications Company Ltd (PCTL). The transaction is currently pending regulatory approval and is expected to close in 2024. The carrying amount of Telenor Pakistan as of 31 December 2023 is expected to be recovered through the sale.

The impairment of Telenor Pakistan in 2022 was due to several negative developments. A significant increase in interest rates, country risk premium and market premiums impacted the WACC. A hike in energy prices and increased global inflation made the outlook for Telenor Pakistan challenging. Further, the unfavourable decision by the Supreme Court in May 2022 related to the 900 MHz and 1800 MHz spectrum licence fee required Telenor to update its earnings projections. Consequently, an impairment of NOK 2.5 billion was recognised in the second quarter 2022 related to property, plant and equipment, right-of-use assets, and intangible assets in the Telenor Pakistan segment. Recoverable amount of the non-current assets was estimated to be NOK 5.8 billion as of 30 June 2022.

The impairment per class of asset was as follows:

NOK in million	2022
Property, plant and equipment	1508
Right-of-use assets	963
Intangible assets	29
Total impairments	2 500

Key assumptions applied in the calculation of value in use for Telenor Pakistan as of 30 June 2022 are stated in the table below. During the assessment of Telenor Pakistan, several scenarios related to timing and level of spectrum acquisitions, investment in radio equipment and operational efficiency were prepared. The assessment was based on a weighting of scenarios reflecting the mentioned sensitivities. The weighted key assumptions used in the scenarios are summarised below.

Key assumptions 2022	Telenor Pakistan
Revenue growth during 2022-2027, per cent ¹⁾	1.1
EBITDA growth during 2022-2027, per cent ¹⁾	1.7
EBITDA margin growth from 2022-2027, percentage points ²⁾	1.7
Capex/revenues in the terminal value, per cent	13.5
WACC, per cent	From 14.5 to 18.5
WACC used in the testing at year-end 2021, per cent	From 11.6 to 15.3
Nominal growth in cash flow in terminal value, percent	4.8

¹⁾ Represents the Compound Annual Growth Rate (CAGR) during the period.

²⁾ Represents annual growth during the period.

Refer to note 35 for information about impairments of associated companies and joint arrangements.

**NOTE 19 Trade and other receivables****Accounting policies**

Trade and other receivables are recognised at fair value including directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method. A customer contract asset is recognised when the revenue from contracts with customers exceeds the amounts received, for example when payment for handsets or other customer equipment is done through future instalments or subscription fee payments. Contract assets are transferred to trade receivables when the rights to payment become unconditional, which is normally when the invoice has been issued. Refer to further information in note 3 Revenues

Trade receivables and contract assets are adjusted for provision for impairment in accordance with the expected credit loss model. The simplified approach is applied measuring the loss allowance at an amount equal to lifetime expected credit losses. Impairment for expected credit losses is assessed every reporting period and calculated by considering the historic evidence of the level of bad debt experienced for customer types and the aging of the receivable balance.

Trade and other receivables

NOK in millions	Category	2023	2022
Receivables from contracts with customers		13 036	15 245
Provision for expected credit losses on trade receivables		(651)	(894)
Total receivables from contracts with customers as of 31 December	FAAC ¹⁾	12 385	14 352
Interest-bearing receivables		1	35
Finance lease receivable ³⁾		-	458
Accrued financial income		61	-
Other non-interest-bearing receivables		1 072	1 648
Provision for expected credit losses on other current receivables		(17)	(13)
Total other current receivables as of 31 December	FAAC ¹⁾	1 117	2 128
Contract asset		106	216
Return good asset ⁴⁾		144	85
Governmental taxes and duties		148	388
Prepayments		1 625	1 674
Total other current non-financial assets as of 31 December	NF ²⁾	2 023	2 362
Total trade and other receivables as of 31 December		15 524	18 842

¹⁾ FAAC: Financial assets at amortised cost

²⁾ NF: Non-financial assets and liabilities

³⁾ See note 27 for more information

⁴⁾ Asset for the right to recover returned goods on settling refund liabilities.

As of 31 December 2023, NOK 1.5 billion (NOK 3.1 billion as of 31 December 2022) of trade and other receivables relates to handset instalments not due within one year.

Specification of contract assets

NOK in millions	2023	2022
Balance as of 1 January	216	362
New contract assets during the period less transfer to receivables	43	93
Disposal of subsidiaries	(158)	(263)
Currency and other effects	5	24
Balance as of 31 December	106	216

Specification of provision for expected credit losses on trade receivables

NOK in millions	2023	2022
Provision as of 1 January	(894)	(998)
Change during the year - continuing operations	(145)	(44)
Change during the year - discontinued operations	(5)	30
Disposal of subsidiaries	381	131
Reclassified to assets held for sale	-	-
Currency and other effects	12	(13)
Provision as of 31 December	(651)	(894)
Realised losses for the year - continuing operations	(222)	(159)
Realised losses for the year - discontinued operations	(80)	(527)
Recovered amounts previously provided for - continuing operations	22	21
Recovered amounts previously provided for - discontinued operations	2	61



Specification of the age distribution of trade receivables

			Past due on the reporting date in the following periods:					
NOK in millions	Carrying amount	Not past due on the reporting date	Less than 30 days	Between 30 and 60 days	Between 61 and 90 days	Between 91 and 180 days	Between 181 and 365 days	More than 365 days
As of 31 December 2023								
Trade receivables	13 036	10 688	969	261	164	327	220	406
Provision for expected credit losses on trade receivables	(651)	(185)	(33)	(10)	(19)	(138)	(86)	(179)
Total trade receivables	12 385	10 503	935	250	145	189	135	227
As of 31 December 2022								
Trade receivables	15 245	12 567	1 077	263	135	324	347	532
Provision for expected credit losses on trade receivables	(894)	(65)	(42)	(34)	(45)	(129)	(218)	(360)
Total trade receivables	14 352	12 502	1 035	229	89	194	130	172

For the trade and other current receivables that are not impaired or past due, there are no indicators at the date of the reporting that the debtors will not be able to meet their payment obligations.

NOTE 20 Cash and cash equivalents

Accounting policies

Cash and cash equivalents include bank deposits, fixed rate bonds and commercial papers with original maturity of three months or less which are readily convertible to known amount of cash and subject to insignificant risk.

Cash and cash equivalents

NOK in millions	2023	2022
Cash in the group's cash pool systems	5 135	2 667
Cash outside the group's cash pool systems ¹⁾	12 405	7 262
Cash equivalents ²⁾	2 016	-
Total cash and cash equivalents in statement of financial position	19 556	9 929
Bank overdraft (part of cash in statement of cash flows)	(197)	(252)
Total cash and cash equivalents in statement of cash flows	19 360	9 677

¹⁾ Includes restricted cash in Grameenphone of NOK 366 million as of 31 December 2023 (NOK 10 million as of 31 December 2022).

²⁾ Related to fixed deposit placements with shorter than 3 months maturity in Telenor ASA in 2023.

Telenor has established cash pool arrangements where Telenor ASA is the account holder and the other companies in the group are sub-account holders or participants. The cash pool arrangements allow netting of cash positions within the group. Subsidiaries in which Telenor owns less than 90% of the shares are normally not participants in the cash pool arrangements held by Telenor ASA. As of 31 December 2023 the major part of the cash and cash equivalents outside the cash pool arrangements relates to Telenor ASA and Grameenphone. For 2022 the major part of the cash and cash equivalents outside the cash pool systems relates to Telenor ASA, dtac and Grameenphone.



NOTE 21 Pension obligations

Telenor offer several different pension plans to its employees. The most common pension plan is the defined contribution plan where a contribution is made to the employee's individual pension account. This arrangement is in addition to the plans organised by governments providing a basic pension entitlement to all taxpayers. Telenor also has defined benefit plans with future pension obligations that are mostly closed for new members.

Accounting policies

Defined contribution plans

A defined contribution plan is a type of retirement plan where the employer makes contributions on a regular basis to the employee's individual pension account. The benefits received by the employee are based on the employer contributions and gains or losses from investing the capital. Contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Defined benefit plans

A defined benefit plan is a pension plan where the employer promises an annual pension on retirement based on a percentage of the salary upon retirement and the employee's earnings history, years of service and age. The pension obligations are determined by discounting the estimated future pension cash outflows less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method and depends on a number of actuarial assumptions. The discount rate is based on interest rates of high-quality corporate bonds denominated in the same currency and with similar maturity as the related pension obligation. Other actuarial assumptions include expected salary growth, inflation and return on assets as well as demographical factors concerning mortality, employee turnover, disability and early retirement. Assumptions about all these factors are based on the situation at the time the assessment is made, whereas it is expected that such factors will change over the long periods for which pension calculations are made. Any changes in these assumptions will affect the calculated pension obligations with immediate recognition in other comprehensive income.

Current and past service cost in addition to non-routine pension settlements, is presented as salaries and personnel costs, and the net interest expense is recognised as financial expense in the income statement. Remeasurements including actuarial gains and losses and the return on plan assets exceeding the discount rate are recognised in the statement of comprehensive income and are not subsequently reclassified to the income statement. A plan curtailment is when Telenor is committed to reduce the number of employees in a plan or change the terms, so the employees are entitled to reduced benefits or is no longer eligible for benefits. Past service cost is recognised in the income statement on the earlier of the date of the plan amendment or curtailment or when the related restructuring cost is recognised. Gains and losses on curtailments form part of service cost and are presented as part of other income or other expenses in the income statement.

Defined benefit multi-employer plans (such as the AFP arrangement in Norway) are accounted for as defined contribution plans when insufficient information is available to calculate Telenor's proportionate share.

Significant pension arrangements in Telenor

Telenor provides pension plans for employees in Norway which follow the requirements in the Act on Mandatory company pensions. In addition, the Norwegian government provides social security payments to all retired Norwegian citizens. Such payments are calculated by reference to a base amount annually approved by the Norwegian parliament (G-regulation). Benefits are determined based on the employee's length of service and compensation. The cost of pension benefit plans is expensed over the period that the employees render services and becomes eligible to receive benefits. Telenor Pension Fund, covering the defined benefit plans offered to all employees in Norway, was closed to new members during 2006 and replaced by defined contribution plans with insurance companies.

In Norway, 3,599 of the employees were members of the contribution plan as of 31 December 2023 (3,575 as of 31 December 2022). In 2023, 927 of the employees were covered by the defined benefit plans through Telenor Pension Fund (1,022 in 2022). In addition, Telenor Pension Fund paid out pensions to 2,510 persons in 2023 (2,516 in 2022). Telenor Sweden has a defined benefit plan with 576 active members in 2023 (588 in 2022). Other companies outside Norway and Sweden primarily offer contribution plans.

The funded defined benefit plans in Norway have net funds of NOK 1628 million as of 31 December 2023 (NOK 858 million in net funds as of 31 December 2022). The current service cost was NOK 152 million in 2023 (NOK 178 million in 2022). Net interest income was NOK 29 million (interest income of NOK 15 million in 2022).

Unfunded defined benefit plans have previously been offered to executive employees. These plans are now closed. As of 31 December 2023, the net defined benefit liability recognised in the statement of financial position was NOK 646 million (NOK 636 million as of 31 December 2022). The service cost was NOK 6 million in 2023 (NOK 8 million in 2022). Net interest cost was NOK 19 million (NOK 13 million in 2022). Telenor does not have a right to use the net funds in the funded plans to settle the obligations under the unfunded plans.

Telenor is member of an agreement-based early retirement plan (new AFP) in Norway. Essentially all the Norwegian employees are entitled to life-long benefits from the age of 62 from this plan, in addition to other plans. The plan is financed through a pooled arrangement, where private sector employers cover 2/3 of the funding requirements and the Norwegian government covers 1/3. For 2023, the contribution was 2.6 of total salaries between 1 and 7.1 times the base amount (G) (2.6% for 2022). For 2024, the contribution is set to 2.7. The plan is considered to be a defined benefit multi-employer plan with limited funding and where plan assets are not segregated. The information required to calculate a proportionate share of the plan, and account for the plan as a defined benefit plan, is not available from the plan administrator. Consequently, the plan is accounted for as a defined contribution plan.

The defined benefit plan in Sweden has a net benefit liability of NOK 1,095 million as of 31 December 2023 (NOK 918 million as of 31 December 2022). The service cost was NOK 42 million and net interest cost was NOK 44 million in 2023 (NOK 58 million and NOK 29 million in 2022, respectively). The



discount rate used for the pension calculations as of 31 December 2023 was 3.5 % (3.9 % in 2022) and expected salary increase was set to 7.2 % for 2024 and 3.0 % thereafter (3.0 % in 2022).

For the Norwegian defined benefit plans, the Group applies the K2013 risk table for mortality and a risk table for disability based on historical figures in Telenor Pension Fund (both implemented in 2013). The average expected lifetime in the risk tables is 88 years for men and 91 years for women.

The table below shows the probability of an employee in a certain age group becoming disabled or dying, within one year, as well as expected lifetime.

Age	Mortality %		Disability %		Expected lifetime	
	Men	Women	Men	Women	Men	Women
40	0.1	0.0	0.1	0.1	88	92
50	0.1	0.1	0.2	0.3	88	91
60	0.4	0.3	0.8	1.2	87	91
70	1.1	0.8	-	-	88	91
80	3.7	2.6	-	-	90	92

The plan assets were measured at fair value 31 December 2023 and 31 December 2022. The calculation of the projected benefit obligations (PBO) as of 31 December 2023 was based on the member base at 13 December 2023 (at 11 October 2022).

The actuarial calculations for the Telenor Pension Fund obligations were carried out by independent actuaries. The present value of the projected defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Employees in Norway that leave Telenor before the age of retirement receive a paid-up policy. Telenor Pension Fund administers some of these policies. This is at the discretion of the Telenor Pension Fund and does not affect Telenor. At the time of issuance of a paid-up policy, Telenor is relieved of any further obligations towards the receiver. The funds and obligations are valued at the time of issuance of paid-up policies and are derecognised from pension obligations and plan assets.

Changes in the defined benefit obligation and fair value of plan assets

NOK in millions	2023			2022		
	Defined benefit obligation	Fair value plan assets	Benefit liability	Defined benefit obligation	Fair value plan assets	Benefit liability
As of 1 January	(9 230)	8 171	(1 059)	(10 432)	8 624	(1 808)
Current service cost	(251)	-	(251)	(307)	-	(307)
Past service cost	(6)	-	(6)	-	-	-
Net interest	(308)	265	(44)	(227)	185	(42)
Discontinued operations	-	-	-	-	-	-
Sub-total included in Income Statement	(565)	265	(301)	(534)	185	(349)
Return on plan assets (excluding amounts included in net interest expense)	-	433	433	-	(632)	(632)
Actuarial changes arising from changes in demographic assumptions	(23)	-	(23)	(31)	-	(31)
Actuarial changes arising from changes in financial assumptions	77	-	77	1 421	-	1 421
Experience adjustments ¹⁾	50	-	50	(96)	-	(96)
Sub-total in Other Comprehensive Income	104	433	537	1 294	(632)	661
Business combinations, disposals and held for	232	(56)	176	(2)	1	(1)
Contributions by employer	-	449	449	-	323	323
Benefits paid	318	(271)	47	380	(304)	76
Translation differences	(54)	(17)	(72)	65	(26)	39
As of 31 December	(9 196)	8 973	(223)	(9 230)	8 171	(1 059)
Of which classified as:						
Pension obligations			(1 821)			(1 919)
Other non-current assets ²⁾			1 599			859

¹⁾ Telenor does not have a right to use the net funds in the funded plans to settle the obligations under the unfunded plans.

²⁾ Experience adjustments on benefit obligations are the effects of differences between previous actuarial assumptions and what has actually occurred.

Assumptions used to determine defined benefit obligations for Norwegian companies as of 31 December

	2023	2022
Discount rate in %	3.30	3.00
Future salary increase in %	3.25	3.25
Future increase in the social security base amount in %	3.25	3.25
Future turnover in %	3.00	3.00
Future pension increases in %	2.25	2.00
Expected average remaining service period in years	8	7



Telenor has used the Norwegian covered bonds (OMF – Obligasjoner med fortrinnsrett) as basis for the discount rate as of 31 December for both 2023 and 2022 for the Norwegian plans. OMFs are covered bonds issued by mortgage companies owned by Norwegian banks under a well-established legal framework. Generally, bonds with ratings better than AA are considered to be of high quality. Most OMFs have AAA rating.

Components of net periodic benefit cost

NOK in millions	2023	2022
Current service cost	(251)	(294)
Past service cost	(6)	-
Net interest cost	(44)	(38)
Net periodic benefit costs	(301)	(332)
Contribution plan costs	(804)	(723)
Total pension costs charged to the income statement for the year	(1 105)	(1 056)
Of which reported as other expense (note 8)	(15)	(26)
Of which reported as pension cost (note 5)	(1 046)	(991)
Of which reported as net interest cost (note 9)	(44)	(38)

Sensitivity analysis

The table below shows an estimate of the potential effects of changes in the key assumptions for the defined benefit plans in Norway. The following estimates are based on facts and circumstances as of 31 December 2023. Actual results may deviate materially from these estimates.

NOK in millions	Discount rate		Future salary increase		Social security base amounts		Annual adjustments to pensions		Turnover	
Change in % is percentage points	-1%	+1%	-1%	+1%	-1%	+1%	-1%	+1%	-1%	+1%
Changes in:										
Increase (decrease) in benefit obligations	1 181	(951)	(325)	326	81	(113)	(775)	917	19	(41)

Asset categories

Telenor Pension Fund's weighted average asset allocations as of 31 December, by asset category, were as follows:

	2023	2022
Bonds %	60	61
Equity securities %	34	35
Other %	6	4
Total	100	100

The bond investments are in securities issued by the Norwegian government, Norwegian municipals, financial institutions, and corporations. Bonds held in foreign currencies are to a large extent currency hedged. Equity investments are both in Norwegian and foreign securities. There is no currency hedging for investments in foreign equity securities. The category Other consist mainly of investments in Private Equity and Hedge funds.

Contributions in future years

Expected contributions to the Telenor Pension Fund in 2024 is approximately NOK 277 million.

The following table shows expected benefit payments from the Norwegian defined benefit plans in future years:

NOK in millions	
Within the next 12 months (next annual reporting period)	215
Between 2 and 5 years	1 020
Next 5 years	1 826
Total expected payments next 10 years	3 061

The average duration of the Norwegian defined benefit plans at the end of the reporting period is 14 years.



NOTE 22 Provisions and obligations

Telenor makes provisions for legal disputes when they become probable, and the amount can be reliably estimated. Provisions are also made for asset retirement obligations representing the removal and restoration cost for infrastructure operated by Telenor. Other provisions relate to restructuring costs and onerous contracts.

Accounting policies

Provisions are made when there is a present legal or constructive obligation, an outflow of resources if probable and a reliable estimate can be made. Provisions are measured using management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value. Asset retirement obligations (ARO) primarily relate to base stations and installed network and infrastructure equipment in addition to some buildings, see note 17 Property, plant and equipment. The net present value of the future ARO is discounted using a pre-tax risk-free rate as risks are reflected in the cash flows. After the initial recognition, an accretion expense is recognised as finance cost. Any subsequent adjustments of the asset retirement obligation from changes of the removal costs or discount rates will have a corresponding adjustment to the carrying value of the property, plant and equipment. A change of ARO relating to assets that are no longer in use will be recognised in the income statement, where the impact from change in discount rate is recognised as financial items and all other changes as operating expenses.

Key sources of estimation uncertainty

Provisions are estimated based on a number of assumptions and are highly uncertain in nature. In particular, the amounts related to legal disputes can be significant and the assessment of probability and the possible outcome include highly judgmental and complex assessments made by management. Further, there is significant uncertainty related to the timing of the asset retirement obligation to occur, as the removal and restoration of the sites will occur well into the future and strategy, technological developments, markets and other factors may impact the timing. There is also significant uncertainty related to the asset removal cost due to uncertain future price development and possibility of negotiations of prices for a large number of removals. Further, there is potentially agreements that relief Telenor from its obligations and also uncertainty as to whether the restoration actually will take place. Due to these uncertainties, the actual costs for legal claims and asset retirement obligations may be significantly different than current estimates.

Non-current provisions

NOK in millions	2023	2022
Provisions for workforce reduction and onerous (loss) contracts	350	345
Asset retirement obligations	1	13
Other provisions	358	433
Total current provisions and obligations as of 31 December	709	791

Current provisions

NOK in millions	2023	2022
Provision for workforce reductions and onerous (loss) contracts	352	334
Asset retirement obligations	5 900	6 092
Other provisions	291	201
Total non-current provisions and obligations as of 31 December	6 543	6 627

Development in provisions

The table below shows the development of provisions during 2023. Provisions for legal disputes are mainly recognised as trade and other payables in the statement of financial position. Provisions made for discontinued operations are disclosed in note 12 Held for sale and discontinued operations.

NOK in millions	Legal disputes	Workforce reduction and onerous (loss) contracts	Asset retirement obligations	Other provision	Total
As of 1 January	3 605	679	6 105	634	7 418
Obligations arising and effects of changes in estimates during the year	700	573	162	772	1 507
Accretion expense	-	(1)	115	3	117
Amounts utilised	(627)	(550)	(233)	(649)	(1 432)
Other changes and translation difference	51	-	103	3	106
Derecognised on disposal of subsidiaries	(2 122)	-	(351)	(114)	(465)
As of 31 December	1 607	702	5 900	649	7 251

Legal disputes

The derecognition on disposal of subsidiaries relate mainly to dtac, refer to further information in Note 12 Held for sale and discontinued operations. For further information about legal disputes, see Note 23 Legal disputes and contingencies.

Workforce reduction

Provisions for workforce reductions included about 575 employees as of 31 December 2023 compared to about 565 employees the year before.

Asset retirement obligations

The reduction in provisions in 2023 is a result of various factors, mainly due to amount utilized and derecognised on disposal of dtac.



NOTE 23 Legal disputes and contingencies

Telenor is subject to various legal proceedings, disputes and claims including regulatory discussions related to its business, licences and investments. Management makes a provision for legal disputes when an unfavourable outcome is probable and a reliable estimate can be made. The most significant legal disputes are summarised in this note.

Accounting policies

Legal disputes are usually contingent in nature, meaning the possible obligation depends on future events outside the company's control, for example a court decision. Provisions are made for legal claims where an unfavorable outcome is probable and the amount required to settle the dispute can be reliably estimated. Provisions are based on management's best estimate of the amount required to settle the obligation discounted to present value.

Key sources of estimation uncertainty

There is significant uncertainty related to predicting the outcome of legal proceedings, disputes and claims. The potential obligations can represent significant amounts, the disputes may involve complex assessments of contracts and legislation, and political and country risk is high in certain disputes. Due to these uncertainties, the future actual costs for legal disputes may be significantly different than current estimates. Management evaluates the degree of probability of an unfavourable outcome and the ability to make a reasonable estimate of the amount of loss. Unanticipated events or changes in these factors may require management to make a provision for matters that become probable or reliable, or change a provision made in a previous reporting period.

Significant legal proceedings, claims and regulatory discussions

Significant legal proceedings, claims and regulatory discussions are summarised below. Some of the cases include a statement that a provision has been made. Cases that do not state that a provision has been made either (a) do not have a provision and the matter is treated as a contingent liability; or (b) a provision has been established but the fact has not been disclosed as it can seriously prejudice our position. Disclosing that a provision has been made to the counterparty would reveal the fact that Telenor believes it is probably that a cash outflow will occur and that that an amount can be reliably estimated. While acknowledging the uncertainties related to these matters, management is of the opinion that based on the information currently available, these matters will be resolved without any material financial adverse effect individually or in aggregate. See note 10 Income taxes for further information about tax claims and uncertain tax positions. See note 22 Provisions and obligations for further information about development in legal dispute provisions.

Grameenphone, Bangladesh

BTRC audit

The Bangladesh Telecommunications Regulatory Commission (BTRC) has over several years conducted an information system audit of Grameenphone for the period 1997 to 2014. On 2 April 2019, Grameenphone received a demand notice from BTRC for payment of NOK 7.8 billion to BTRC (NOK 2.1 billion in principal and NOK 5.7 billion in interest), including some matters pending in ongoing formal resolution processes (sub-judice). These claims are unjustified from Telenor's and Grameenphone's position. In addition, BTRC has unauthorised and erroneously claimed NOK 3.8 billion, which mainly is related to an already resolved matter and other sub-judice matters with the National Board of Revenue (NBR). The total demand amounts to NOK 11.6 billion (the Demand). Overall, the Demand is based on allegations that Grameenphone has, amongst other things, underpaid various taxes, such as corporate taxes, SIM tax, VAT, and revenue share from its mobile operation. The Demand is comprised of claims against 26 line items, of which 22 line items are related to BTRC matters and no provision has been recorded based on the Demand dated 2 April 2019, as such. The other 4 line items of which 2 have been resolved as described in note 10, are related to the NBR matters, where Telenor and Grameenphone in previous years have recorded provisions based on an assessment of the legal merits of the claims.

On 22 July 2019, BTRC imposed operational restrictions on Grameenphone by stopping No Objection Certificates (NOCs) and approvals on import of products, services, and equipment. Late August 2019, Grameenphone filed both a civil case (title suit) contesting the Demand and an injunction application with a request to stay the suspension of NOCs and to restrain BTRC from taking any steps in enforcing the Demand. On 17 October 2019, HCD passed an injunction order restraining BTRC, for a period of two months, from taking any steps to realise or enforce the Demand and suspend NOCs for import of equipment/software and approvals of tariff/service packages etc. (the "HCD order"). The HCD order was appealed by BTRC to the Appellate Division of the Supreme Court (AD) and on 24 November 2019 the AD decided that the HCD order shall be maintained, subject to payment of NOK 1.8 billion by Grameenphone. On 20 and 24 February 2020, the AD ordered the payment of the deposit of NOK 1.8 billion to BTRC to be made in two equal instalments within 24 February 2020 and 31 May 2020. Both instalments were paid before the due dates and recognised as non-current financial assets (see note 27). Further, AD directed BTRC to allow Grameenphone to carry on its business without any hindrance and fixed the matter on 31 May 2020 for passing further order. Due to the COVID-19 situation in Bangladesh, the meeting was postponed, and no new date has been set. BTRC has lifted the operational restrictions on the import of equipment/software and approvals of tariff/service packages etc. The original Title suit, where the court is supposed to assess the merits of the Demand, is pending at the District Court. The court has requested the parties to respond to the commencement of a possible mediation process, and a meeting to explore this is scheduled to 29 September 2024.

One of the claims that BTRC has presented to Grameenphone in the BTRC-case is related to a dispute as to how VAT on the payment of 2G license fee shall be handled. More specifically, whether VAT is included in the license fee or excluded and thereby needs to be added and paid separately, and whether VAT can be deducted from BTRC payments. In addition, the court considered whether BTRC legally could impose a Market Competition Factor (MCF) on the 7.4 MHz spectrum assigned in 2008 which Grameenphone disputed.

The written judgement was published by the Appellate Division on 1 June 2023 stating that VAT needs to be added and paid to BTRC, whilst BTRC will forward VAT to NBR. Further, rebate is not allowed as spectrum is considered to be infrastructure owned by the state. The Appellate Division also concluded that BTRC may impose MCF on the mobile operators. Grameenphone has paid the entire principal amount of approximately NOK 960 million to BTRC on 14 June 2023. The payment of the principal amount is made without prejudice to its right to pursue Review Petitions (RPs)



and without conceding any factual or legal issue in accordance with the said judgment. While making the said payment, Grameenphone also reserved the right to adjust against its future payment obligations subject to the outcome of the RPs. Subsequently, Grameenphone has also filed RPs before the Appellate Division challenging the said judgement. Grameenphone is currently engaged in a without prejudice reconciliation exercise with BTRC, where substantial late payment fees are among the topics.

Singapore and Bangladesh have entered a Bilateral Investment Treaty (BIT) and in October 2019, Telenor Asia Pte Ltd, a Telenor subsidiary being a shareholder in Grameenphone and domiciled in Singapore, sent a notice to the President of Bangladesh to initiate discussions as a first step in an attempt to resolve issues arising from the audit dispute between Grameenphone and BTRC pursuant to the procedural mechanisms in such BIT.

SIM tax on replacement SIM cards (part of BTRC audit)

The Large Taxpayer Unit-VAT has issued three notices to Grameenphone claiming SIM tax of NOK 1.4 billion (excl. interest) on the replacement of SIM cards issued during three time periods from July 2007 to June 2015. In 2019 and 2020, the VAT Appellate Tribunal gave decisions in Grameenphone's disfavour in two of the three periods (2007-2011 and July 2012-June 2015), representing a total demand of NOK 1.3 billion (excl. interest). Grameenphone has appealed the decisions to the High Court Division of the Supreme Court who passed stay orders on these two decisions by the Tribunal until final adjudication.

Grameenphone – Workers Profit Participation Fund

Mobile operators in Bangladesh have for several years been required by law to establish a Worker's Profit Participation Fund ("WPPF") for distribution of 5 % of the company's annual net profit to their employees. A number of former employees of Grameenphone have filed individual cases at Labour Court (LC) claiming benefits related to WPPF. Grameenphone is defending these cases at the Labour Court. Before any substantive hearing, Grameenphone is filing maintainability applications seeking dismissal of the cases. Further steps will be taken in due course of time based on the outcome.

India

Licences and spectrum

Telenor's previous operations in India are subject to a number of disputes with the Indian Department of Telecommunications (DoT), which remain to be concluded. Telenor has provided guarantees for certain claims to the current owner Bharti Airtel. Refer to note 12 Held for sale and discontinued operations for further information about the guarantee and provisions related to the period Telenor owned the business in India.

One of the disputes relate to the basis for calculation of licence fees and spectrum usage charges for the entire duration of Telenor's operations in India. DoT has issued several revised and new demand notices in the mentioned matter against Telenor's Indian subsidiaries during the last years. In a ruling in the fourth quarter of 2019 and in subsequent court orders in 2020, the Supreme Court of India upheld DoT's view on the determination of the licence fees and spectrum usage. These rulings have bearing on demands amounting to approximately NOK 3.5 billion. Interest accruals on demand notices received will apply and are currently estimated to NOK 1.0 billion for demand notices covered by the Supreme Court orders. For demand notices received, not covered by the Supreme Court orders, there are ongoing reviews performed by DoT and continued dialog between Telenor and DoT. Telenor has settled NOK 0.5 billion of the mentioned demands.

On 2 February 2012, the Indian Supreme Court quashed (cancelled) all 122 2G licences awarded in 2008, including those granted to Telenor subsidiary at the time, Unitech Wireless. The Indian Supreme Court ordered that all such 2G licences and spectrum should be auctioned. The spectrum auction was completed in November 2012 and Telenor, through Telewings, secured spectrum licences in 6 circles. In February 2013, the Indian Supreme Court ordered the payment of retroactive spectrum fees for the licences quashed in February 2012. DoT issued a notice in November 2014 to Unitech Wireless seeking an explanation as to why retrospective spectrum fee payment should not be recovered by DoT pursuant to the February 2013 order of the Indian Supreme Court. Telenor replied to the above notice in December 2014. However, on 14 February 2017, DoT issued a demand notice of NOK 0.9 billion (including interest). Telenor has challenged such demand and the interpretation by DoT of the Indian Supreme Court judgment before the Telecom Disputes Settlement and Appellate Tribunal in India. A stay order is currently in place.

DoT has further issued a notice to 8 entities of Unitech Wireless relating to a financial penalty of NOK 1.3 billion imposed, due to an alleged violation of a merger approval for the Unitech Wireless entities. Telenor has contested the basis for the claim.

**NOTE 24 Trade and other payables****Accounting policies**

Trade and other payables relate to amounts owed to suppliers and customer contract liabilities include amounts received from a customer that exceed the revenue recognised, for example prepaid subscriptions. Customer contract liabilities are expected to be realised within in the Group's normal operating cycle and are classified as current.

Trade and other payables

NOK in millions	Category	2023	2022
Trade payables		5 501	7 955
Accruals		7 638	12 322
Total trade payables and accruals as of 31 December	FLAC ¹⁾	13 139	20 277
Contract liabilities		4 726	5 013
Government taxes, tax deductions etc.		3 242	2 937
Total other payables as of 31 December	NF ²⁾	7 969	7 950
Total trade and other payables as of 31 December		21 108	28 227

¹⁾ FLAC: Financial liabilities at amortised cost.

²⁾ NF: Non-financial assets and liabilities.

Specification of customer contract liabilities

NOK in millions	2023	2022
Balance as of 1 January	5 013	6 001
Revenue recognised that was included in opening balance	(4 214)	(4 677)
New contract liabilities less transfer to revenue	4 541	4 646
Disposal of companies	(686)	(897)
Currency and other effects	74	(59)
Reclassified to liabilities held for sale	(2)	-
Balance as of 31 December	4 726	5 013

Customer contract liabilities comprise Group's obligation to transfer services to its customers for which it has received consideration in advance. This includes unearned revenue relating to prepaid services, connection fee not considered to be a separate performance obligation, and other contract liabilities.

NOTE 25 Contractual commitments

Telenor has entered into agreements with fixed payments in respect of the following as of 31 December 2023 and as of 31 December 2022.

2023

NOK in millions	2024	2025	2026	2027	2028	After 2028
Contractual purchase obligations						
IT-related agreements	183	36	14	-	-	-
Other contractual obligations	2 875	59	25	24	25	-
Committed investments						
Property plant and equipment and intangible assets	1 206	6	-	-	-	-
Total contractual obligations	4 264	101	39	24	25	-

2022

NOK in millions	2023	2024	2025	2026	2027	After 2027
Contractual purchase obligations						
IT-related agreements	246	50	4	-	-	-
Other contractual obligations	4 490	1 164	43	32	32	27
Committed investments						
Property plant and equipment and intangible assets	2 242	18	10	10	10	20
Total contractual obligations	6 978	1 233	57	42	42	47

The tables above include agreements under which Telenor has only committed minimum purchase obligations.



NOTE 26

Contract cost and other prepaid costs

Contract costs include costs for obtaining customer contracts, like commissions to dealers. It also includes costs for fulfilling customer contracts, like direct labour and material costs for connection and installation of equipment on customer premises.

Accounting policies

When contract costs are incremental and expected to be recovered, they are capitalised as contract cost assets and amortised over the expected customer lifetime. Renewal periods are included in the period based on historical churn data, unless new costs are incurred on contract renewals. These costs are included in EBITDA. The practical expedient of not capitalising contract costs that would have been amortised within 12 months has been applied.

Contract costs and other prepaid costs

NOK in millions	2023	2022
Contract costs	4 581	4 082
Governmental taxes and duties	127	127
Prepayments	1	3
Total non-current non-financial assets	4 709	4 212

Contract costs

The below tables set forth the costs capitalised and amortised during the year 2023 and 2022:

NOK in millions	As of 31 December 2022	Costs capitalised during the year	Reclassified to assets held for sale	Amortisation - continued operations	Amortisation - discontinued operations	Impairment - discontinued operations	Translation Differences	As of 31 December 2023
Contract acquisition costs	4 041	2 961	(121)	(2 434)	(10)	3	103	4 543
Contract fulfilment costs	41	17	-	(22)	-	-	-	37
Total contract costs	4 082	2 979	(121)	(2 456)	(10)	3	103	4 581

NOK in millions	As of 31 December 2021	Costs capitalised during the year	Reclassified to assets held for sale	Amortisation - continued operations	Amortisation - discontinued operations	Impairment - discontinued operations	Translation Differences	As of 31 December 2022
Contract acquisition costs	4 008	2 146	(170)	(1 775)	(174)	9	(2)	4 041
Contract fulfilment costs	51	4	-	(11)	-	-	(3)	41
Total contract costs	4 059	2 150	(170)	(1 787)	(174)	9	(4)	4 082



NOTE 27 Financial assets and non-interest-bearing liabilities

Derivatives such as forward currency contracts and interest rate swaps are used to mitigate financial risks. Other financial assets include commercial papers, deposits and equity investments.

Accounting policies

Financial assets and liabilities

Financial instrument are contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognised when Telenor becomes a party to the contractual provisions of the instrument, using trade date accounting. Financial assets and liabilities are offset when there is intention and legally enforceable right to settle the contracts net.

Categories of financial assets and liabilities

The categorisation of the financial instrument for measurement purposes is based on the objective and the contractual cash flow characteristics determined at initial recognition. Telenor does not apply the fair value option.

Telenor has financial assets classified in the following measurement categories:

- FAAC - financial assets at amortised cost. Consist of financial assets held to collect contractual cash flows that are solely payments of principal and interest.
- FVTOCI - financial assets at fair value through other comprehensive income. Consist of equity investments not held for trading.
- FVTPL - financial assets at fair value through profit or loss. Include derivatives not designated for hedging purposes, assets held for trading and financial assets that are not classified in one of the other categories.

Telenor has financial liabilities classified in the following categories:

- FLAC - financial liabilities at amortised cost. Consist of liabilities that are not a part of the category at fair value through profit or loss.
- FVTPL - financial liabilities at fair value through profit or loss. Include derivatives not designated for hedging purposes and other liabilities held for trading.

Equity investments

Equity investments include equity instruments and capital contribution to Telenor Pension Fund. Equity investments not held for trading are financial assets with changes in fair value through other comprehensive income (FVTOCI). Unrealised gains and losses are reclassified within equity from other reserves to retained earnings when the investment is disposed. Equity investments held for trading are financial assets with changes in fair value through profit and loss (FVTPL), and transaction costs are immediately expensed. Telenor does currently not have equity instruments held for trading.

Derivatives

Telenor uses derivative financial instruments such as forward currency contracts, interest rate swaps and cross currency interest rate swaps to hedge its risks associated with interest rate and foreign currency fluctuations. The derivative financial instruments are measured at fair value. Any gains or losses arising from changes in fair value on derivatives that are not cash flow hedges or hedges of net investments are recognised in the income statement as financial income or expense.

Embedded derivatives

Embedded derivatives are separated from the host contract and recognised at fair value, except when the risks and economic characteristics are closely related to the host contract and the host contract is not carried at fair value. The currency derivative embedded in committed purchase or sales contracts are not separated when the payment is in one of the party's functional currency or in a commonly used currency in the relevant economic environment. Unrealised gains or losses are recognised in the income statement.

Other current and non-current financial assets

Financial assets such as various receivables and deposits initially recognised at fair value including directly attributable transactions costs and subsequently normally measured at amortised cost using the effective interest rate method. These financial assets are adjusted for provision for impairment in accordance with the expected credit loss model. As part of the transaction between dtac and True, a shareholder loan was provided to a joint venture for funding the transaction. This shareholder loan does not satisfy the solely payment of principal and interest test, hence cannot be recognised at amortised cost using the effective interest rate method.

Lease receivables

In finance leases, a lease receivable is recognised based on future expected lease payments, and finance income is allocated using a constant periodic rate of return over the lease term. In a transaction for which an underlying asset is sub-leased to a third party, the sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. See note 3 for further information about operation lease revenue.

Supplier finance arrangements

In supplier finance arrangements, the payables are reclassified from trade payables to current non-interest-bearing liabilities when the financing arrangements are linked to the payment terms of the contract with the vendor. The current liability is presented as non-interest bearing as the payment of interest is carried by the vendor. When the financial institution makes the payment to the vendor, an operational cash outflow is presented in the Statement of Cash Flows if it is related to operating activities and cash outflow from investing activities if it is related to investing activities. At the same time a financial cash inflow reflecting that a financial liability has been obtained. The subsequent payment of the financial liability is presented as financial cash outflow in the cash flow statement. Supplier finance arrangements that do not have any link to payment terms



or any other parts of the contract with the vendor are classified as trade payables. Cash outflow from such arrangements are presented as operating activities in the Statement of Cash Flows.

Non-current financial assets

NOK in millions	Fair value level ⁴⁾	Category	2023	2022
Equity investments	3	FVTOCI ¹⁾	930	937
Financial derivatives	2	FVTPL ²⁾	17	273
Financial derivatives designated for net investment hedge	2		530	687
Other financial non-current non-interest-bearing assets		FAAC ³⁾	3 586	3 066
Fair value hedge instruments	2		-	25
Other financial non-current interest-bearing assets		FAAC ³⁾	797	3 230
Other financial non-current interest-bearing assets	2	FVTPL ²⁾	831	-
Finance lease receivable			-	1 046
Total non-current financial assets as of 31 December			6 692	9 264

¹⁾ FVTOCI: Fair value through other comprehensive income.

²⁾ FVTPL: Fair value through profit and loss.

³⁾ FAAC: Financial assets at amortised cost.

⁴⁾ For information about the fair value level of financial instruments, see note 32.

Equity investments

Equity investments (FVTOCI) include capital contribution to Telenor Pension Fund of NOK 0.3 billion and other equity investments of NOK 0.6 billion (NOK 0.3 billion and NOK 0.7 billion in 2022, respectively).

Other financial non-current non-interest-bearing assets

Other financial non-current non-interest-bearing assets as of 31 December 2023 includes a deposit of NOK 1.8 billion paid to the Bangladesh Telecommunication Regulatory Commission (BTRC, see note 23), pension funds of NOK 1.6 billion and long term deposits of NOK 0.1 billion (NOK 1.9 billion, NOK 0.9 billion and NOK 0.3 billion in 2022, respectively).

Other financial non-current interest-bearing assets

Other financial non-current interest-bearing assets includes a receivable against the joint ventures holding the indirect ownership in True Corporation of NOK 0.8 billion. This receivable is classified as FVTPL. In 2022, Other financial non-current interest-bearing assets included a receivable of NOK 2.7 billion against the Norwegian tax authorities related to the ongoing court case for losses on receivables on the Indian subsidiary Unitech Wireless after having repaid, as guarantor, all Unitech Wireless' interest-bearing borrowings. In 2023, the Appellate Committee in Supreme Court decided not to allow the appeal from the government to be heard and the deposited funds were paid back to Telenor, see note 10.

Finance lease receivables

Telenor has recognised receivables at present value of future lease payments to be received in lease arrangements where Telenor has transferred substantially all the risks and rewards incidental to ownership of the underlying assets to the lessee. Current finance lease receivables are included in Trade and other receivables (see note 19).

NOK in millions	2023			2022		
	Current	Non-current	Total	Current	Non-current	Total
Sublease of land	-	-	-	361	973	1 334
Lease of satellite	-	-	-	97	72	169
Total finance lease receivables	-	-	-	458	1 046	1 504

During 2023, the Group recognised interest income of NOK 5 million (NOK 60 million in 2022) related to finance lease receivables.

All finance lease agreements in Telenor was either present in dtac or Telenor Satellite. Dtac merged with True Corporation during 2023, see note 12 for more information. Telenor Satellite was disposed 4 January 2024 and classified as held for sale as of 31 December 2023.

The following table sets forth the maturity analysis of lease receivables:

NOK in millions	2023	2022
Less than 1 year	-	506
1 to 2 years	-	445
2 to 3 years	-	384
3 to 4 years	-	272
4 to 5 years	-	-
After 5 years	-	-
Total undiscounted lease payments receivable	-	1 607
Unearned interest income	-	(103)
Net investment in leases	-	1 504



Current financial assets

NOK in millions	Fair value level ³⁾	Category	2023	2022
Assets held for trading	2	FVTPL ¹⁾	1 036	50
Bonds and commercial papers > 3 months		FAAC ²⁾	269	277
Financial derivatives	2	FVTPL ¹⁾	5	29
Financial derivatives designated for net investment hedge	2		340	2
Fair value hedge instruments	2		-	2
Total other current financial assets as of 31 December			1 651	361

Non-current non-interest-bearing liabilities

NOK in millions	Fair value level ³⁾	Category	2023	2022
Financial derivatives	2	FVTPL ¹⁾	167	588
Financial derivatives designated for net investment hedge	2		765	866
Other non-current non-interest-bearing liabilities		FLAC ²⁾	390	317
Total non-current non-interest-bearing liabilities as of 31 December			1 323	1 772

Current non-interest-bearing liabilities

NOK in millions	Fair value level ³⁾	Category	2023	2022
Financial derivatives	2	FVTPL ¹⁾	470	3
Financial derivatives designated for net investment hedge	2		331	382
Other current non-interest-bearing liabilities		FLAC ²⁾	1 119	1 308
Total current non-interest-bearing liabilities as of 31 December			1 921	1 694

¹⁾ FVTPL: Fair value through profit and loss.

²⁾ FLAC: Financial liabilities at amortised cost.

³⁾ For information about the fair value level of financial instruments, see note 32.

Other current non-interest-bearing liabilities include liabilities to financing institutions under supplier finance arrangements of NOK 537 million as of 31 December 2023 (NOK 616 million as of 31 December 2022).

NOTE 28 **Equity**

This note summarises and explains the movements in equity for the Telenor group. It also presents the financial information for subsidiaries that have significant non-controlling interests.

Paid-in capital

NOK in millions, except number of shares	Number of shares	Share capital	Other paid in capital	Treasury shares	Total paid-in capital
Equity as of 1 January 2022	1 399 458 033	8 397	69	-	8 466
Share buyback	-	-	-	-	-
Cancellation of shares	-	-	-	-	-
Equity as of 31 December 2022	1 399 458 033	8 397	69	-	8 466
Share buyback	-	-	-	(86)	(86)
Cancellation of shares	-	-	-	-	-
Equity as of 31 December 2023	1 399 458 033	8 397	69	(86)	8 380

Nominal value per share is NOK 6.

On 8 February 2023, Telenor announced a share buyback program for the year 2023-2024. The total programme comprises 31,108,044 shares, of which 14,320,524 shares were repurchased from the market during 2023. With this, the market part of the buyback programme was finalised. The remaining 16,787,520 shares will be purchased from the Norwegian state through the Ministry of Trade, Industry and Fisheries. The 31,108,044 shares will be cancelled following approval by the Annual General Meeting in May 2024, hence the Ministry's ownership interest in Telenor of 53.97% will remain unchanged. The shares that have been repurchased in the open market have had an immediate cash effect whereas the pro rata shares from the Norwegian state will be paid simultaneously with the capital reduction in the middle of 2024.

Other reserves

NOK in millions	Net unrealised gains/(losses) reserve	Employee equity benefits reserve	Pension remeasurement reserve	Share of equity adjustments and other comprehensive income in associated companies	Other equity transactions	Total other reserves
Equity as of 1 January 2022	251	469	503	1 548	(24 302)	(21 530)
Other comprehensive income (loss), net of taxes	157	-	520	46	-	723
Share-based payment	-	61	-	-	-	61
Equity as of 31 December 2022	408	531	1 023	1 594	(24 302)	(20 746)
Other comprehensive income (loss), net of taxes	(2)	-	401	(95)	-	304
Share-based payment	-	83	-	-	-	83
Share buyback	-	-	-	-	(1 625)	(1 625)
Other changes in other reserves during 2023	406	614	1 424	1 499	(25 927)	(21 984)

Net unrealised gains/losses reserve

This reserve includes unrealised gains and losses arising from changes in fair value of equity investments are recognised directly in other comprehensive income until the investment is disposed of, at which time the cumulative gain or loss is reclassified within equity from other reserves to retained earnings.

Employee equity benefits reserve

Share-based payments represents cost charged to income statement over the vesting period based on the fair value measured at grant date for equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. In 2023, the Group paid NOK 16 million related to the equity-settled share-based programme (NOK 27 million in 2022), refer to note 37 Key management compensation for further details on this programme.

Pension re-measurement

This reserve includes the effect of re-measurement of pension obligations arising due to change in assumptions, such as discount rate and long-term demographic trends.

NOK in millions	Pension remeasurement	Income taxes	Net pension remeasurement
Equity as of 1 January 2022	665	(161)	503
Other comprehensive income (loss)	657	(137)	520
Equity as of 31 December 2022	1 322	(299)	1 023
Other comprehensive income (loss)	519	(118)	401
Equity as of 31 December 2023	1 841	(417)	1 424

See note 21 Pension obligations for more information.

Share of equity adjustments and other comprehensive income in associated companies

This reserve includes underlying adjustments to equity in associated companies, such as other comprehensive income, share buybacks and transactions with non-controlling interests.



Other equity transactions

This includes the decrease in other reserves as a result of acquisition and sale/cancellation of treasury shares and the increase as a result of transfers from other paid-in capital, including transfers from other paid-in capital related to cancellation of treasury shares. The price paid in excess of the nominal value of the shares reduces this reserve. During 2023, Telenor repurchased 14.3 million shares from the market which will be cancelled following approval by the Annual General Meeting in May 2024.

Cumulative translation differences

NOK in millions	Foreign currency translation	Net investment hedge	Income taxes	Net translation differences
Equity as of 1 January 2022	(1 931)	(3 118)	426	(4 627)
Changes during 2022, excluding effects of disposal	1 695	(1 402)	308	602
Amount reclassified from other comprehensive income to income statement on disposal	370	233	-	603
Net changes during 2022	2 066	(1 170)	308	1 205
Equity as of 31 December 2022	135	(4 288)	734	(3 422)
Changes during 2023, excluding effects of disposal	2 382	(2 444)	538	475
Amount reclassified from other comprehensive income to income statement on disposal	(4 031)	889	-	(3 142)
Net changes during 2023	(1 649)	(1 555)	538	(2 667)
Equity as of 31 December 2023	(1 515)	(5 843)	1 272	(6 089)

During 2023, a gain of NOK 4,031 million was reclassified from other comprehensive income to income statement which is related to dtac disposal and included in the total gain recognised on disposal of dtac as a subsidiary. See note 12 Held for sale and discontinued operations and note 35 Associated companies and joint arrangements for more information.

During 2022, a loss of NOK 370 million was reclassified from other comprehensive income to income statement which mainly consisted of NOK 789 million currency loss on disposal of Telenor Myanmar, NOK 450 million gain on disposal of Digi as a subsidiary and recognised its 32.47% share of the associated company CelcomDigi and NOK 42 million currency loss on disposal of Wave Money.

In 2023, the translation difference gain on net investment in foreign operations was caused by depreciation of the Norwegian Krone against Swedish Krone, Danish Krone, Euro, and Thai Bath. The appreciation of Swedish Krone by 7%, Danish Krone by 6%, Euro by 6% and Thai Bath by 4% against Norwegian Krone had the most significant impact on the translation difference gain.

In 2022, the translation difference gain on net investment in foreign operations was caused by depreciation of the Norwegian Krone against Danish Krone, Euro, Thai Bath, and Malaysian Ringgit. The appreciation of Danish Krone by 5%, Euro by 5%, Thai Bath by 7% and Malaysian Ringgit by 6% against Norwegian Krone had the most significant impact on the translation difference gain.

In 2023, a loss of NOK 889 million was reclassified from other comprehensive income to income statement on net investment hedge item related to dtac disposal.

In 2022, a loss of NOK 233 million was reclassified from other comprehensive income to income statement on net investment hedge item related to Digi disposal.

Transactions with non-controlling interests

On 1 February 2023, Telenor divested a 30% stake in the fibre infrastructure company Telenor Fiber AS in Norway to a consortium led by KKR with Oslo Pensjonsforsikring as co-investor. The divestment of 30% resulted in cash proceeds of NOK 10.8 billion to Telenor and a gain of NOK 7.6 billion recognised in retained earnings. The equity impact coming from non-controlling interest of fibre divestment was NOK 3.2 billion.

Non-controlling interests

NOK in millions	Country of incorporation and operation	Non-controlling interests share of net income (loss) 2023	Non-controlling interests share of net income (loss) 2022	Non-controlling interests in the statement of financial position 31.12.23	Non-controlling interests in the statement of financial position 31.12.22	Non-controlling interests share of dividend in 2023	Non-controlling interests share of dividend in 2022
Digi.Com Bhd	Malaysia	-	999	-	-	-	1 136
Grameenphone Ltd.	Bangladesh	1 430	1 372	2 714	1 948	573	1 595
Total Access Communications Plc (dtac)	Thailand	(19)	296	-	2 316	305	419
Telenor Fiber AS	Norway	234	-	3 269	-	150	-
Others		3	(2)	(32)	(28)	10	9
Total		1 646	2 665	5 950	4 237	1 038	3 159



Summarised financial information for subsidiaries with significant non-controlling interests

Summarised statement of financial position as of 31 December:

NOK in millions	2023			2022		
	Grameenphone Ltd	Total Access Communications Plc (dtac)	Telenor Fiber AS	Grameenphone Ltd	Total Access Communications Plc (dtac)	Telenor Fiber AS
Current assets	2 332	-	457	1 155	6 849	-
Non-current assets	16 137	-	13 140	16 518	40 177	-
Current liabilities	(8 500)	-	(566)	(8 876)	(12 501)	-
Non-current liabilities	(4 077)	-	(2 126)	(4 531)	(25 636)	-
Total equity	5 892	-	10 905	4 265	8 888	-
Attributable to:						
Equity holders of Telenor ASA	3 178	-	7 636	2 317	6 572	-
Non-controlling interests	2 714	-	3 269	1 948	2 316	-

Summarised comprehensive income information 1 January – 31 December:

NOK in millions	2023				2022			
	Digi.Com Bhd	Grameenphone Ltd	Total Access Communications Plc (dtac)	Telenor Fiber AS	Digi.Com Bhd	Grameenphone Ltd	Total Access Communications Plc (dtac)	Telenor Fiber AS
Revenues	-	15 531	3 945	2 324	12 403	15 508	22 107	-
Net income	-	3 129	(23)	762	1 953	3 188	960	-
Total comprehensive income	-	2 884	290	762	1 502	2 917	1 544	-
Attributable to non-controlling interests	-	1 430	(20)	234	999	1 372	296	-

Summarised cash flow information 1 January – 31 December:

NOK in millions	2023				2022			
	Digi.Com Bhd	Grameenphone Ltd	Total Access Communications Plc (dtac)	Telenor Fiber AS	Digi.Com Bhd	Grameenphone Ltd	Total Access Communications Plc (dtac)	Telenor Fiber AS
Operating activities	-	5 873	962	1 557	5 239	6 418	7 058	-
Investing activities	-	(2 306)	(1 537)	(1 318)	(7 809)	(2 224)	(3 318)	-
Financing activities	-	(2 258)	(1 140)	(12)	2 123	(4 135)	(3 171)	-
Effect of exchange rate changes on cash and cash equivalents	-	(86)	108	-	14	(23)	90	-
Net increase/(decrease) in cash and cash equivalents	-	1 223	(1 608)	227	(433)	36	659	-

NOTE 29 **Lease liabilities**

This note gives further information about the lease liabilities of Telenor, such as lease liabilities per currency and in addition maturity profile. Refer to note 16 for description of accounting policies, key accounting judgment and key sources of estimation uncertainty relating to lease liabilities and right-of-use assets. Note 13 includes more information about the cash flow movements in lease liabilities. .

Lease liabilities measured at amortised cost

NOK in millions	2023			2022		
	Current	Non-current	Total	Current	Non-current	Total
Lease liability related to spectrum licences	1 253	3 922	5 175	2 931	11 944	14 875
Lease liability related to other lease contracts	2 854	9 279	12 132	3 743	12 473	16 216
Total lease liabilities	4 107	13 201	17 307	6 674	24 417	31 091

Distribution of lease liabilities per currency as of 31 December 2023

		2023			2022		
NOK in millions	Currency	Spectrum licences	Other lease contracts	Total	Spectrum licences	Other lease contracts	Total
Bangladesh	BDT	1 705	2 923	4 628	2 242	2 714	4 955
Norway	NOK	1 941	3 159	5 100	1 918	2 965	4 883
Denmark	DKK	726	742	1 468	728	678	1 406
Sweden	SEK	50	2 097	2 147	32	1 699	1 731
Finland	EUR	188	1 621	1 809	253	1 417	1 671
Pakistan	PKR	-	1 315	1 315	-	1 953	1 953
Pakistan	USD	565	-	565	1 006	-	1 006
Thailand	THB	-	-	-	8 696	4 348	13 044
Other	NOK	-	275	275	-	442	442
Total		5 175	12 132	17 307	14 875	16 216	31 091

Lease liabilities maturity profile

NOK in millions	Total as of 31.12.23	< 1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	>10 years
Lease liabilities - spectrum licences	5 175	1 253	721	744	432	383	383	395	405	194	106	158
Lease liabilities - other lease contracts	12 132	2 854	2 637	1 696	1 105	807	482	443	398	293	187	1 230
Sum of lease liabilities	17 307	4 107	3 358	2 441	1 537	1 190	865	838	804	488	292	1 388
Future interest payments	3 148	775	591	441	331	263	209	171	133	97	75	62
Total including future interest payments	20 455	4 882	3 949	2 881	1 869	1 453	1 074	1 009	937	585	368	1 450

NOK in millions	Total as of 31.12.22	< 1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	>10 years
Lease liabilities - spectrum licences	14 875	2 931	2 363	1 947	2 012	1 891	863	875	901	424	213	455
Lease liabilities - other lease contracts	16 216	3 743	3 745	2 935	1 894	970	508	412	362	308	193	1 146
Sum of lease liabilities	31 091	6 674	6 109	4 883	3 906	2 861	1 371	1 286	1 263	732	406	1 601
Future interest payments	3 618	945	742	556	408	289	202	161	122	83	61	49
Total including future interest payments	34 709	7 619	6 851	5 439	4 314	3 150	1 573	1 447	1 385	815	466	1 650



NOTE 30 Interest-bearing liabilities

The non-current debt in Telenor mainly consists of bonds issued under the EMTN programme (Euro Medium Term Note), bonds issued in other markets and bank loans. Forward contracts and cross currency swaps are used to hedge foreign exchange rate risk for certain assets.

Accounting policies

Interest-bearing liabilities are initially measured at fair value net of transaction costs and are subsequently measured at amortised cost using the effective interest-rate method (FLAC). In addition, where fair value hedge accounting is applied the hedged liabilities are adjusted for gains and losses attributable to the risk being hedged. On extinguishment of debt, in whole or in part, the difference between the carrying amount of the liability and the consideration paid is recognised in the income statement.

Interest-bearing liabilities

NOK in millions	2023			2022		
	Current interest-bearing liabilities	Non-current interest-bearing liabilities	Total	Current interest-bearing liabilities	Non-current interest-bearing liabilities	Total
Interest-bearing liabilities measured at amortised cost						
Bank loans	484	-	484	1 586	2 349	3 935
Bonds	11 253	73 148	84 401	6 969	76 529	83 498
Other liabilities	9	90	99	604	194	798
Interest-bearing liabilities measured at fair value						
Fair value hedge instruments	42	2 448	2 490	10	3 652	3 662
Total interest-bearing liabilities	11 789	75 686	87 475	9 169	82 724	91 893
Fair value of debt ¹⁾			82 661			83 186
Of which fair value hierarchy level 1 ²⁾			81 864			78 213
Of which fair value hierarchy level 2 ²⁾			797			4 972

¹⁾ Excluding lease liabilities and licence obligations.

²⁾ For information about the fair value hierarchy for valuation of financial instruments, see note 32.

Non-current interest-bearing liabilities

		2023		2022	
		Debt before the effect of currency swaps	Debt adjusted for the effect of currency swaps ²⁾	Debt before the effect of currency swaps	Debt adjusted for the effect of currency swaps ²⁾
NOK in millions	Currency				
Company					
Telenor ASA	EUR	69 071	43 872	60 714	39 136
	NOK ¹⁾	3 744	6 943	-	(2 735)
	SEK	-	14 030	4 248	15 670
	USD	-	8 376	-	13 612
Total Telenor ASA		72 815	73 221	64 962	65 683
DNA - Finland	EUR	2 782	2 782	2 601	2 601
dtac - Thailand	THB	-	-	14 967	14 967
Other non-current interest-bearing liabilities		90	90	194	194
Total subsidiaries		2 872	2 872	17 762	17 762
Total non-current interest-bearing liabilities		75 686	76 093	82 724	83 445

¹⁾ Telenor ASA's debt position in Norwegian Kroner as of 31 December 2022 is a net asset position when including currency swaps.

²⁾ Debt adjusted for currency swaps includes financial instruments that are not classified as interest-bearing liabilities in the statement of financial position.



Current interest-bearing liabilities

		2023		2022	
		Debt before the effect of currency swaps	Debt adjusted for the effect of currency swaps ²⁾	Debt before the effect of currency swaps	Debt adjusted for the effect of currency swaps ²⁾
NOK in millions	Currency				
Company					
Telenor ASA	NOK	-	5 359	-	3 335
	EUR	6 762	139	5 263	963
	SEK	4 533	2 712	-	236
	MYR	-	2 193	-	2 224
	THB	-	5 256	-	3 624
	USD ¹⁾	-	(3 969)	-	(4 782)
Total Telenor ASA		11 295	11 690	5 263	5 599
dtac - Thailand	THB	-	-	2 570	2 570
Grameenphone - Bangladesh	BDT	287	287	481	481
Pakistan	PKR	112	112	232	232
Other current interest-bearing liabilities		94	94	623	623
Total subsidiaries		493	493	3 906	3 906
Total current interest-bearing liabilities		11 789	12 184	9 169	9 505

¹⁾ Telenor ASA's debt positions in US Dollars as of 31 December 2023 and US Dollars as of 31 December 2022, are net asset positions when including currency swaps.

²⁾ Debt adjusted for currency swaps includes financial instruments that are not classified as interest-bearing liabilities in the statement of financial position.

Debt issued under Telenor ASA's EMTN programme is based on documentation that is commonly used for investment grade issuers in the Eurobond market. This documentation contains provisions restricting the pledge of assets to secure future borrowings without granting a similar secured status to the existing lenders (negative pledges) and contains covenants limiting disposals of assets.

Bonds issued under the EMTN programme are subject to a Change of Control Clause. Such Change of Control shall be deemed to have occurred if a person or entity, other than the Kingdom of Norway, directly or indirectly owns or acquires more than 50% of the issued ordinary share capital of Telenor ASA. If such Change of Control leads to a downgrade below investment grade rating, the holder of such bonds can require Telenor ASA to redeem the principal amount together with accrued interest. The full definition of this Change of Control Clause is described in the Final Terms for each specific bond issue.

In June and October 2023, Telenor ASA issued the following bond tranches under the EMTN programme:

- NOK 1,750 million with floating coupon rate of 3m NIBOR + 100bp and maturity in 2028
- NOK 2,000 million with fixed coupon rate of 4.61% and maturity in 2030
- EUR 500 million with fixed coupon rate of 4.00% and maturity in 2030
- EUR 500 million with fixed coupon rate of 4.25% and maturity in 2035

All outstanding debt issued by Telenor ASA is unsecured.

The interest-bearing liabilities in subsidiaries are generally not guaranteed by Telenor ASA and are subject to standard financial covenants, some of which limit the ability to transfer funds to Telenor ASA in the form of dividends or loans.

Refer to note 31 Capital and financial risk management for further information about capital management, maturity profile of the interest-bearing liabilities, liquidity risk, exchange rate risk, interest rate risk and derivatives.



NOTE 31 Capital and financial risk management

The objectives and policies for capital and risk management are described in this note, in addition to exposure and sensitivity for financial risks such as liquidity risk, interest rate risk, foreign exchange risk and credit risk. Telenor uses various types of derivatives to hedge such exposure.

Accounting policies

Hedge accounting is applied for fair value hedges and hedges of net investments in foreign operations when the hedging criteria are met. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged. The derivative is also measured at fair value, and gains and losses from both the hedging instrument and the hedged item are recognised in the income statement. Hedge effectiveness is assessed on an ongoing basis, and hedge accounting is discontinued if the hedge no longer meets the hedge accounting criteria. If the hedged item still exists and is not sold, the fair value adjustment to the hedged item attributable to the risk being hedged at de-designation will be amortised in the income statement over the remaining time to maturity.

A hedge of a net investment in a foreign operation is accounted for in a similar way as a cash flow hedge. Foreign exchange gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised directly in other comprehensive income while any foreign exchange gains or losses relating to the ineffective portion are recognised in the income statement. On disposal of the foreign entity, the cumulative foreign exchange gains or losses recognised in other comprehensive income is reclassified to the income statement. Refer to note 27 Financial assets and liabilities for further information on accounting policies for derivatives.

Managing capital

Following the structural changes in the portfolio, and triggered by closing of the merger in Malaysia, Telenor measures the leverage from 2022 as the ratio of Net debt to EBITDA before other items plus dividends from associated companies and joint ventures. Telenor aims to maintain a solid balance sheet through keeping leverage ratio in the range of 1.8x to 2.3x to maintain financial flexibility and ensure cost efficient funding (see chapter Definitions and Alternative Performance Measures for reconciliations of net debt and leverage ratio). As of 31 December 2023, the reported leverage ratio was 2.2x (2.2x as of 31 December 2022). The targeted capital structure provides a good balance between shareholder return and a solid balance sheet with stable access to global debt markets, while also supporting Telenor's strategic priorities. As of 31 December 2023, Telenor ASA's long-term credit rating was "Baa1/stable outlook" by Moody's Investors Service and "A-/stable outlook" by Standard & Poor's (S&P).

Key elements of the Group's capital structure include interest-bearing debt as disclosed in note 30, cash and cash equivalents as disclosed in note 20 and equity attributable to the shareholders of Telenor ASA as presented in the consolidated statement of changes in equity and in note 28.

In order to adjust the capital structure, the Group may acquire or sell own shares, distribute dividends to shareholders, return capital to shareholders or issue new shares. In 2023, Telenor paid shareholders dividend of NOK 13.0 billion comprised of ordinary dividends paid out in May 2023 (NOK 5.00 per share) and October 2023 (NOK 4.40 per share).

For the financial year 2023, the Telenor Board of Directors will propose an ordinary dividend of NOK 9.50 per share to be resolved by the Annual General Meeting in May 2024 and paid out in two tranches of NOK 5.00 and NOK 4.50 per share in May 2024 and October 2024 respectively. The total ordinary dividend amount proposed for the financial year 2023 is NOK 13.2 billion.

Following the divestment 30% of Telenor Fiber AS, the Board of Directors of Telenor ASA was given the authority to execute a share buy back in January 2023. The market part of the program was executed in 2023 and amounted to NOK 1.7 billion and 14.3 million shares. Compensation to the Norwegian Ministry of Trade, Industry and Fisheries and capital reduction will be executed in 2024.

Telenor's shareholder remuneration policy is to aim for a year-on-year growth in dividend per share, where the annual dividends are paid in two instalments. Buyback of own shares or extraordinary dividend pay-outs might also be used as a measure to reach a targeted leverage.

Financial risk

Telenor Group Treasury is responsible for funding and financial risk management for the parent company and subsidiaries owned, directly or indirectly, more than 90% by Telenor ASA. Subsidiaries owned less than 90% normally have stand-alone financing and management of financial risks. Beyond hedging activities, the Group has limited trading activities.

Liquidity risk

The main objective is to ensure sufficient liquidity. The Group emphasises financial flexibility, and an important part of this is to minimise liquidity risk through ensuring access to a diversified set of funding sources. Debt issued in the international capital market is predominately issued under the existing EMTN programme (Euro Medium Term Note) to secure longer dated funding and under existing ECP programme (Euro Commercial Paper) to secure shorter dated funding up to 12 months. In addition to these uncommitted loan programmes, the Norwegian domestic capital market is used from time to time.

Telenor ASA also has a sustainability-linked committed syndicated revolving credit facility (RCF) of EUR 1.8 billion with maturity in 2028 with options to extend it for 1+1 year. The RCF was undrawn as of 31 December 2023.

When permissible by local rules and regulations, subsidiaries owned 90% or more are part of Telenor ASA's cash management framework agreements and participate in Telenor ASA's cash pool setup. Subsidiaries owned less than 90% have established separate framework agreements for banking services.



Telenor ASA shall have sufficient sources of liquidity to cover expected operational liquidity needs for the next 12 months. Liquidity requirements to fund acquisitions is considered separately.

Maturity profile of the Group's liabilities (in nominal values)

NOK in millions	Total as of 31.12.23	< 1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	>10 years	Not specified
Interest-bearing liabilities													
Financial Debt	86 831	11 549	10 065	11 201	5 601	7 351	13 200	5 600	5 600	-	-	16 664	-
Other interest-bearing liabilities	197	197	-	-	-	-	-	-	-	-	-	-	-
Sum of interest-bearing liabilities ⁶⁾	87 028	11 745	10 065	11 201	5 601	7 351	13 200	5 600	5 600	-	-	16 664	-
Non-interest-bearing liabilities													
Trade and other payables	21 108	21 108	-	-	-	-	-	-	-	-	-	-	-
Other current non-interest-bearing liabilities	1 119	1 119	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	1 733	836	183	-	118	134	-	388	-	-	-	74	-
Other non-current non-interest-bearing liabilities	390	-	-	-	-	-	-	-	-	-	-	-	390
Sum of non-interest-bearing liabilities	24 351	23 063	183	-	118	134	-	388	-	-	-	74	390
Total	111 378	34 809	10 248	11 201	5 720	7 485	13 200	5 987	5 600	-	-	16 738	390
Future interest payments	14 564	3 029	2 628	1 929	1 622	1 321	1 103	874	494	427	426	712	-
Total including future interest payments	125 943	37 838	12 875	13 130	7 342	8 806	14 303	6 862	6 093	427	426	17 450	390

NOK in millions	Total as of 31.12.22	< 1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	>10 years	Not specified
Interest-bearing liabilities													
Financial Debt	91 267	8 907	14 579	12 498	11 608	7 997	6 701	11 524	717	6 310	-	10 425	-
Other interest-bearing liabilities	252	252	-	-	-	-	-	-	-	-	-	-	-
Sum of interest-bearing liabilities ⁶⁾	91 518	9 159	14 579	12 498	11 608	7 997	6 701	11 524	717	6 310	-	10 425	-
Non-interest-bearing liabilities													
Trade and other payables	28 227	28 227	-	-	-	-	-	-	-	-	-	-	-
Other current non-interest-bearing liabilities	1 308	1 308	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	1 841	420	889	224	125	183	-	-	-	-	-	-	-
Other non-current non-interest-bearing liabilities	317	-	-	-	-	-	-	-	-	-	-	-	317
Sum of non-interest-bearing liabilities	31 692	29 955	889	224	125	183	-	-	-	-	-	-	317
Total	123 211	39 114	15 468	12 721	11 733	8 181	6 701	11 524	717	6 310	-	10 425	317
Future interest payments	9 491	2 030	2 022	1 566	1 043	769	651	445	245	219	155	346	-
Total including future interest payments	132 701	41 144	17 490	14 288	12 776	8 950	7 352	11 969	962	6 529	154	10 771	317

⁶⁾ The maturity tables do not include lease liabilities related to licences or other lease liabilities. See note 29 for more information on licence commitments and lease liabilities.

Interest rate risk

The Group is exposed to interest rate risk through funding and cash management activities and aims to manage this risk to reduce financial costs over time. Changes in interest rates affect the fair value of assets and liabilities. Interest income and interest expense in the income statement are influenced by changes in interest rates in the market. In 2023, average interest rate for the Group was 3.0% on interest-bearing liabilities, excluding lease and licence liabilities (1.8% in 2022).

The majority of debt issued by the Group is fixed rate debt. The Group uses interest rate derivatives to manage interest rate risk of the debt portfolio. This typically involves interest rate swaps, swapping floating interest rates to fixed interest rates and vice versa.

According to Group Policy, Telenor subsidiaries with external debt instruments shall maintain a balanced profile between fixed and floating rate debt. The portion of the fixed rate shall be between 30% to 70% of external debt. As of 31 December 2023, the portion of fixed rate of Group's debt was 69% (58% as of 31 December 2022). For Telenor ASA the portion of fixed rate debt as of 31 December 2023 was 69% (58% as of 31 December 2022).

Derivative instruments designated as fair value hedging instruments

In order to manage interest rate risk, a portion of the debt may be swapped to floating interest rate by using interest rate swaps. Fair value hedge accounting is applied when hedge accounting criteria are met. There is an economic relationship between the hedged items and the hedging instruments, as the terms of the interest rate swaps match the terms of the fixed rate bonds (i.e., notional amount, maturity, payment and rate set dates).



Effectiveness testing is performed using the hypothetical derivative method and compares changes in fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk. Hedge ineffectiveness in fair value hedges can arise from:

- Different interest rate curve applied to discount the hedged items and hedging instruments.
- Differences in timing of cash flows of the hedged items and hedging instruments. The table below shows the effects of the Group's fair value hedges.

The change in fair value of the hedging instrument and the hedged item is recognised on the line item Net change in fair value of hedging instruments and hedged items under Net financial income (expenses) in the income statement, see also note 9.

Fair value hedging relationships

NOK in millions	2023	2022
Net gain / (loss) recognised in the income statement on hedged items	(1 234)	3 931
Net gain / (loss) recognised in the income statement on hedging instruments	1 505	(4 136)
Amount of hedge ineffectiveness	271	(205)

Financial instruments designated as hedging instruments in fair value hedges are classified on the line items Other non-current financial assets and Other current financial assets in the statement of financial position, see note 27, and current and non-current interest-bearing liabilities, see note 30:

NOK in millions	2023		2022	
	Assets	Liabilities	Assets	Liabilities
As of 31 December				
Nominal amounts fair value hedge instruments	35 278	-	37 424	-
Fair values of fair value hedge instruments	-	(2 490)	27	(3 662)

The following table shows the maturity profile of the Group's fair value hedge instruments (in nominal values):

NOK in millions	Total	< 1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	>10 years
As of 31 December 2023	(2 092)	(593)	(526)	(406)	(278)	(160)	(49)	(20)	(20)	(20)	(20)	-
As of 31 December 2022	(2 416)	(524)	(528)	(468)	(375)	(256)	(144)	(46)	(19)	(19)	(19)	(19)

The terms of the fixed rate receive leg of the interest rate swaps designated as fair value hedge instruments match the terms of the fixed rate pay leg of the hedged items. The average interest rate terms of the floating pay legs of the interest rate swaps are EURIBOR 3/6 months + 72 basis points (+ 72 basis points in 2022) for EUR denominated swaps, and THBFX + 146 basis points in 2022 and THOR (+ 143 basis points in 2022 for THB denominated swaps (no THB denominated swaps in 2023).

The table below shows the carrying amounts of the Group's fair value hedge items, which are recognised on the line items Non-current interest-bearing liabilities and Current interest-bearing liabilities in the statement of financial position:

NOK in millions	2023	2022
As of 31 December		
Carrying amount of hedged items recognised in the statement of financial position	32 050	33 004
Fair value hedge adjustments included in the carrying amount of the hedged items	(2 043)	(3 288)

Interest rate risk sensitivity analysis

The Group calculates the sensitivity on the change in fair value of assets and liabilities of a defined parallel shift in the yield curve of the relevant currencies. For each simulation, the same shifts in interest rates are used for all currencies. The sensitivity analysis is run only for assets and liabilities that represent significant interest-bearing positions. Due to debt instruments the net position is a liability. Since hedge accounting is applied and interest-bearing debt is measured at amortised cost, the full effect of change in fair value is not recognised in the income statement. This is shown in the table below:

NOK in millions	2023		2022	
	Yield curve increase 50 Basis points	Yield curve decrease 50 Basis points	Yield curve increase 50 Basis points	Yield curve decrease 50 Basis points
Reduction (increase) in fair value of net liabilities	1 281	(1 338)	1 225	(1 278)
Gain (loss) in the income statement	(101)	109	66	(69)

Sensitivity analysis of change in floating interest rates on net financial items in the income statement:

NOK in millions	2023		2022	
	Yield curve increase 50 Basis points	Yield curve decrease 50 Basis points	Yield curve increase 50 Basis points	Yield curve decrease 50 Basis points
Gain (loss) in the income statement	(435)	435	(399)	399



Exchange rate risk

The Group is exposed to changes in the value of NOK relative to other currencies. The carrying amount of the Group's net investments in foreign entities and proceeds from these investments varies with changes in the foreign exchange rate. The net income of the Group is also affected by currency fluctuations, as the profit and losses from foreign operations are translated into NOK using average exchange rates for the period. Exchange rate risk related to some net investments in foreign operations is partly hedged by issuing debt instruments in the currencies involved or correlated currencies when this is considered appropriate. Combinations of money market instruments (Commercial Paper and bonds) and derivatives (foreign exchange forward contracts and cross currency swaps) are used for this purpose. Short-term currency swaps are used for liquidity management purposes. Net investment hedge accounting is applied when possible.

Exchange rate risk also arises when Telenor ASA or any of its subsidiaries enter into transactions or holds monetary items denominated in other currencies than their own functional currency. In accordance with Group Policy, committed cash flows in foreign currency equivalent to NOK 300 million or above are evaluated for hedging.

Financial instruments designated as hedging instruments of net investment in foreign operations

As of 31 December 2023 and 2022, material hedging positions are designated as net investment hedges.

There is an economic relationship between the hedged items and the hedging instruments as the net investment creates a translation risk that will match the foreign exchange risk on the debt and derivatives designated as hedging instruments.

Net investment hedging is mainly applied in currencies that have well-functioning financial markets, but the Group may also designate debt in correlated currencies as hedging instruments to hedge foreign exchange risk.

The Group has established hedge ratios to match the underlying risk of the hedging instruments with the hedged risk component. Hedge ineffectiveness may arise when the amount of the investment in the foreign subsidiary becomes lower than the amount of the debt and derivatives designated as hedging instruments. There was no ineffectiveness in the years ending 31 December 2023 and 2022.

For additional information and a reconciliation of the net investment hedge balance in equity, see note 28.

Net investment hedging relationships

NOK in millions	2023	2022
Amount recognised directly to other comprehensive income (OCI)	(2 444)	(1 402)
Amount reclassified from OCI to the income statement on disposal	889	233

Net investment hedging was performed for the investment in Bangladesh using USD denominated instruments, but hedging was discontinued due to loss of economic relationship during 2022. As of 31 December 2023, the remaining balance included in the net investment hedge reserve was NOK 125 million.

Interest-bearing debt and derivatives designated as hedging instruments in net investment hedges (only effective part of instruments is included):

NOK in millions	2023		2022	
	Debt	Derivatives	Debt	Derivatives
As of 31 December				
Nominal amounts net investment hedge instruments	(59 426)	12 597	(50 533)	8 372
Fair value net investment hedge instruments	(55 681)	(227)	(44 000)	(560)

Debt designated as hedging instruments in net investment hedges are recognised on the line items Non-current interest-bearing liabilities and Current interest-bearing liabilities in the statement of financial position.

Classification of derivatives designated for net investment hedge in the consolidated statement of financial position:

NOK in millions	2023	2022
As of 31 December		
Other non-current assets	530	687
Other financial current assets	340	2
Non-current non-interest-bearing financial liabilities	(765)	(866)
Current non-interest-bearing liabilities	(331)	(382)
Fair value net investment hedge instruments	(227)	(560)

The following table shows the maturity profile (in nominal values) of the Group's net investment hedge instruments (only effective part of instruments is included):

NOK in millions	Total	< 1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	>10 years
As of 31 December 2023	(51 131)	(4 781)	(1 704)	(7 511)	(3 204)	(4 810)	(9 282)	(3 482)	(4 637)	(207)	(207)	(11 304)
As of 31 December 2022	(44 646)	(6 084)	(2 766)	(1 284)	(6 800)	(2 653)	(4 194)	(8 233)	(130)	(4 137)	(105)	(8 259)

Average currency rates in cross currency swaps designated as net investment hedge instruments were NOK/USD 8.59 (n.a. in 2022), USD/EUR 1.17 (1.15 in 2022), SEK/EUR 10.69 (10.47 in 2022) and NOK/EUR 11.57 (10.83 in 2022) in 2023. In 2023, average currency rates in foreign exchange contracts designated as net investment hedge instruments were NOK/SEK 0.98 (0.95 in 2022), NOK/EUR n.a. (10.57 in 2022), USD/EUR 1.09 (n.a. in 2022), USD/MYR 0.22 (0.22 in 2022) and USD/THB 0.03 (0.03 in 2022).



Exchange rate risk sensitivity analysis

This analysis does not consider correlation between currencies. Empirical studies confirm substantial diversification effect across the currencies that the Group is exposed to. The three sensitivity analyses shown below represent impact on the income statement due to fluctuations in the functional currencies, the impact on other comprehensive income translating functional currencies into the presentation currency NOK and lastly the effect on net income if the presentation currency NOK weakens or strengthens.

Currency gains and losses on monetary items in foreign currency are recognised in the income statements of Telenor ASA and its subsidiaries. Net currency gains (losses) in foreign subsidiaries are translated to NOK in the consolidated income statement. The table below shows the effect on consolidated net currency losses in the income statement of 10% depreciation in functional currencies in the Group, keeping other currencies constant (only significant exposures above NOK 100 million are included in the table):

NOK in millions	Monetary Item Currency							
	2023				2022			
	EUR	SEK	USD	Other	EUR	SEK	USD	Other
Depreciating Functional Currency								
NOK	(216)	(554)	(363)	-	-	(510)	(677)	(104)

Translation of subsidiaries from their functional currencies into the presentation currency of the Group (NOK) will impact the Group's other comprehensive income (OCI) and equity. If NOK had weakened by 10% against all other functional currencies of the Group, the change in the carrying amount of consolidated equity as of 31 December 2023, including effects of net investment hedge, would have been an increase of approximately NOK 6.4 billion (increase of NOK 5.6 billion as of 31 December 2022).

The table below shows the impact on OCI of net investment hedge (NIH) instruments if the functional currency weakened by 10%.

NOK in millions	2023			2022		
	EUR	SEK	Other	EUR	SEK	Other
Currency effect on OCI (before tax) of NIH instruments						
NOK	(2 760)	(1 178)	(745)	(2 420)	(1 211)	(585)
Effect on other comprehensive income (OCI)			(4 683)			(4 216)

Translation of net income from subsidiaries with functional currency other than NOK, also represents a currency exposure for the Group's reported figures. If the presentation currency (NOK) had weakened / strengthened by 10% against all other currencies included in the analysis, net income for the Group would have been NOK 505 million higher / lower in 2023 (NOK 588 million in 2022).

Credit risk

Credit risk is the loss that the Group would suffer if a counterparty fails to perform its financial obligations. The Group considers its maximum exposure to credit risk to be as follows:

Maximum credit exposure

NOK in millions	2023	2022
Cash and cash equivalents	19 556	9 929
Bonds and commercial papers > 3 months (note 27)	269	277
Financial derivatives (note 27)	893	1 017
Trade and other current financial receivables (note 19)	13 502	16 480

The Group's credit risks largely arise from trade receivables, financial derivatives and cash and cash equivalents.

Credit risk from cash and cash equivalents is managed by the Group's Treasury department in accordance with the principles defined in the Group Policy Treasury. Cash deposits are only made with approved counterparties and in accordance with approved credit limits per counterparty. Counterparty credit limits for core banks are reviewed by the Group's Board of Directors on a regular basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential payment default.

Credit risk arising from financial derivatives and cash deposits is managed through diversification, internal risk assessment and credit scoring, as well as credit risk mitigation tools. The main risk mitigation tools include legal netting and collateral agreements.

Credit risk related to trade receivables is assessed to be limited due to the high number of customers in the Group's customer base. As such, no further credit risk provision is required in excess of the normal provision for bad and doubtful receivables. See note 19 for information on receivables in terms of age distribution and provision for bad debt. Credit risk related to sale of handsets on instalment plans, where the effect of discounting is considered material, is also assessed to be limited. Credit risk related to such arrangements are embedded in the discount rate and reflected as reduced revenue.

As of 31 December 2023, NOK 420 million was posted as cash collateral (receivable). As of 31 December 2022, NOK 264 million was posted as cash collateral (receivable).

**NOTE 32 Fair values of financial instruments**

Based on the characteristics of the financial instruments that are recognised in the financial statements, the financial instruments are grouped into classes and categories. The estimated fair values of Telenor's financial instruments are based on available market prices and various valuation methodologies as summarised in this note.

Fair value hierarchy

Telenor measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in measuring fair value:

- Level 1: Quoted prices (unadjusted) in active markets for identical financial instruments
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

Interest-bearing liabilities

Fair values of interest-bearing liabilities as shown in note 30 are based on quoted prices where available. Interest-bearing liabilities that are not traded in an active market have been estimated using yield curves which incorporate estimates of the Telenor ASA credit spread. The credit curves have been extrapolated using indicative prices on debt issuance by Telenor ASA for different maturities. The yield curves have been interpolated from cash and swap curves observed in the market for different currencies and maturities.

Trade receivables and other current and non-current financial assets

For trade receivables and other current receivables, see note 19 for more information, the carrying amount is assessed to be a reasonable approximation of fair value. The effect of not discounting is considered to be immaterial for this class of financial instruments. Telenor has issued a shareholder loan to the joint ventures holding the indirect ownership in True Corporation. These shareholder loans are recognised at fair value through profit or loss, see note 27.

Trade payables and other non-interest-bearing financial liabilities

For trade payables and other non-interest-bearing financial liabilities, see note 24 for more information, the carrying amount is assessed to be a reasonable approximation of fair value. The effect of not discounting is considered to be insignificant for this class of financial instruments.

Equity investments

Fair values for listed shares as shown in note 27 are based on quoted prices at the end of the reporting period. Fair value of unlisted shares is estimated by using commonly used valuation techniques or measured at cost if the investment does not have a quoted market price in an active market and the fair value cannot be reliably measured.

Cash and cash equivalents

The fair value for this class of financial instruments is assessed to be equal to the nominal amount.

Derivatives

Fair value of currency swaps, foreign currency forward contracts and interest rate swaps as shown in note 27 is estimated based on calculating the net present value of future cash flows, using interest rate curves, exchange rates and currency spreads as of 31 December 2023 and 2022, respectively.

NOTE 33 Guarantees

NOK in millions	2023	2022
Guarantee obligations as of 31 December	1 590	1 522

Telenor has provided various types of guarantees to external parties, including guarantees relating to partnership agreements and guarantees for the pension funds. Purchased bank guarantees are not included in the table.



NOTE 34 Consolidation and group companies

Telenor had 98 subsidiaries in 18 countries at year-end 2023. All subsidiaries have the same reporting period as Telenor ASA and use consistent accounting policies.

Accounting policies

Entities controlled by Telenor ASA are included in the consolidated financial statements, and control normally exists when Telenor has more than 50% of the voting power through ownership or agreements, except where non-controlling interests prevent the exercise of control. Intercompany transactions, balances, revenues, expenses and unrealised internal profit or losses are eliminated on consolidation. Non-controlling interests in subsidiaries are presented within equity separately from the equity attributable to the owners of the parent, refer to note 28 Equity. Non-controlling interests have been measured at the proportionate fair value of net identifiable assets at the date of the business combination and share of changes in equity since the date of the business combination.

Shares in subsidiaries

	Office	Ownership interest	
		31 December 2023	31 December 2022
Telenor Asia Holding AS ¹⁾	Norway	100	
Telenor Agder Vestfold og Telemark 2 AS	Norway	100	100
Telenor Communication II AS	Norway	100	100
Telenor Consult AS	Norway	100	100
Telenor Digital Infrastructure Holding AS ¹⁾	Norway	100	
Telenor Eiendom Hareløkken AS	Norway	100	100
Telenor Festekontrakter AS	Norway	100	100
Telenor Fiber AS	Norway	70	100
Telenor Forsikring AS	Norway	100	100
Telenor GTI AS	Norway	100	100
Telenor Health AS	Norway	100	100
Telenor Infra AS	Norway	100	100
Telenor Jeløy Radio AS	Norway	100	100
Telenor KB AS	Norway	100	100
Telenor Låveveien 55 AS	Norway	100	100
Telenor Linx AS	Norway	100	100
Telenor Maritime AS	Norway	100	100
Telenor Marketplace Invest AS	Norway	100	100
Telenor Mobile Communications AS	Norway	100	100
Telenor Mobile Holding AS	Norway	100	100
Telenor Møre og Romsdal og Trøndelag 2 AS	Norway	100	100
Telenor Networks Holding AS	Norway	100	100
Telenor Nord 2 AS	Norway	100	100
Telenor Nordic Towers AS	Norway	100	100
Telenor Norge AS	Norway	100	100
Telenor Øvre Strandgate 5 2 AS	Norway	100	100
Telenor Procurement Holding AS ¹⁾	Norway	100	
Telenor Real Estate AS	Norway	100	100
Telenor Satellite AS	Norway	100	100
Telenor Shared Services AS	Norway	100	100
Telenor Software Lab AS	Norway	100	100
Telenor Svalbard AS	Norway	100	100
Telenor Tracking Solutions AS ¹⁾	Norway	100	
Telenor Tryvann Radio AS	Norway	100	100
Telenor Vestlandet og Rogaland 2 AS	Norway	100	100
Telenor Viken og Innlandet 2 AS	Norway	100	100
Bjørsvika IKT AS	Norway	67	67
Bldng. AI AS	Norway	100	100
Cinclus Technology AS ³⁾	Norway		100
Nordix Data AS	Norway	100	100
Omny AS	Norway	100	100
SnT East Holding AS	Norway	100	100
Talkmore AS	Norway	100	100
Telway AS	Norway	100	100
Where2o AS	Norway	51	51
Telenor Connexion AB	Sweden	100	100
Telenor Gauntlet Holding AB	Sweden	100	100
Telenor Maritime AB	Sweden	100	100
Telenor Sverige AB	Sweden	100	100



(continued)	Office	Ownership interest	
		31 December 2023	31 December 2022
Telenor Tower Sweden AB	Sweden	100	100
MVNO Systems A/S	Denmark	100	100
Telenor A/S	Denmark	100	100
Telenor Danmark Holding A/S	Denmark	100	100
Tn Finance A/S	Denmark	100	100
Canal Digital Finland OY	Finland	100	100
DNA Kauppa OY	Finland	100	100
DNA Oyj	Finland	100	100
DNA Tower Finland Oy	Finland	100	100
DNA Welho OY	Finland	100	100
European Mobile Operator Oy	Finland	100	100
Moi Mobiili Oy	Finland	100	100
Telenor Finland Holding OY	Finland	100	100
Telenor Maritime OY	Finland	100	100
Grameenphone Ltd	Bangladesh	56	56
Telenor Health Bangladesh ²⁾	Bangladesh		100
Telenor Telecom Services SA	Greece	100	100
Telenor Global Services Hong Kong Ltd	Hong Kong	100	100
Telenor India Private Ltd	India	100	100
Unitech Wireless (Tamilnadu) Private Limited	India	67	67
Telenor IT Asia Sdn Bhd	Malaysia	100	100
Treverdi Ventures Limited	Myanmar	100	100
Telenor Pakistan BV Ltd	Netherlands	100	100
Argos Takes Care of It SA	Marocco	100	100
Margalla Ventures Ltd	Pakistan	100	100
Orion Towers (Private) Limited	Pakistan	100	100
Telenor LDI Communication (PVT) Ltd	Pakistan	100	100
Telenor Pakistan (Private) Ltd	Pakistan	100	100
Telenor Shared Services Pakistan (PVT) Ltd	Pakistan	100	100
Telenor Linx Polska ¹⁾	Poland	100	0
Telenor Asia PTE Ltd	Singapore	100	100
Telenor Asia Towers Pte. Ltd	Singapore	100	100
Telenor Global Services Singapore PTE Ltd	Singapore	100	100
Telenor GO Pte Ltd	Singapore	100	100
Telenor Malaysia Investments Pte Ltd	Singapore	100	100
Telenor Maritime ASIA Pte. Ltd	Singapore	100	100
Telenor Pakistan Investments Pte Ltd	Singapore	100	100
Telenor Procurement Company Pte.Ltd.	Singapore	100	100
Telenor South Asia Investment Pte Ltd	Singapore	100	100
Telenor South-East Asia Investment Pte Ltd	Singapore	100	100
Telenor Thailand Investments Pte Ltd	Singapore	100	100
BCTN Holding Co., Ltd.	Thailand	100	100
BCTN Innovation Co., Ltd.	Thailand	100	49
Telenor Asia (IHQ) Ltd	Thailand	100	100
Thai Telco Holdings Ltd.	Thailand	100	51
Telenor UK Ltd	United Kingdom	100	100
FJ Labs Telenor Co-Invest II LP	USA	99	99
FJ Labs Telenor Co-Invest III LP	USA	99	99
Telenor Digital Holding Inc.	USA	100	100
Telenor Maritime Inc.	USA	100	100
Telenor Inc	USA	100	100

¹⁾ The company was established in 2023.

²⁾ The company was terminated in 2023.

³⁾ The company merged with Telenor Communication II AS in 2023.



NOTE 35 Associated companies and joint arrangements

Associated companies are normally those entities where Telenor has between 20 to 50 percent ownership. Joint arrangements are those entities where Telenor share control with other parties. On 1 March 2023, the subsidiary dtac in Thailand merged with True Corporation. This resulted in a derecognition as a subsidiary of Telenor with a gain of NOK 18.5 billion. After the merger, True Corporation is an associated company with Telenor having a total ownership of 30.2%.

Accounting policies

Associates are those entities where Telenor has significant influence, but not control or joint control, usually between 20 to 50 percent voting power. Joint ventures are those entities where unanimous consent is required by the owners on important decisions and where the parties have rights to net assets. Interests in joint ventures and associates are accounted for using the equity method. The investments are initially recognised at cost (including transaction costs) and subsequently adjusted for the share of profits and losses, dividends received and impairment. The share of net income is presented on a separate line in the income statement.

An investment is a joint operation when unanimous consent is required by the owners on important decisions and Telenor and the parties have rights to specific assets and obligations. These entities are consolidated on a line-by-line basis with a share of revenues and costs, and the specific assets and liabilities or the proportionate share of jointly owned assets and liabilities.

For investments where financial statements are not available at the time Telenor publishes its report, the share of net income is recognised with a one quarter lag. Adjustments are made for significant transactions or events known in the market. To ensure consistency, the Annual Report is not updated in situations where the financial statements for the investee are made available after fourth quarter and before the issuance of the Annual Report, unless the transactions or events are significant.

Key accounting judgment

The net investment in associated companies is impaired if there is objective evidence of impairment. Telenor's two most material associated companies, True Corporation and CelcomDigi, are listed companies in their home countries. A decline in market value compared to cost is considered as objective impairment evidence if the decline is significant or prolonged. The determination of what constitutes a significant or prolonged decline is a matter of fact that requires the application of significant judgement. In 2023, the share price of True Corporation declined from THB 8.15 per share when the merged company was listed on 3 March 2023 to THB 5.05 as of 31 December 2023. Management concluded that the decline in fair value compared to cost was significant and an impairment loss of NOK 7,200 million was recognised. At end of each reporting period going forward, the carrying value of True Corporation will be reassessed based on the closing share price, limiting any reversal to the amount of the original impairment.

Associated companies and joint ventures

NOK in millions	2023	2022
Balance as of 1 January	39 686	5 683
Additions	22 306	35 089
Disposals	(86)	(433)
Impairments	(8 505)	-
Share of net income (losses)	(631)	(230)
Share of other comprehensive income	(95)	46
Dividends received	(1 238)	(575)
Translation differences	(495)	106
Balance as of 31 December	50 942	39 686
of which investment in CelcomDigi	33 763	34 436
of which investment in True Corporation	13 532	-
of which investment in 701 Search and Carousell	2 157	2 660
of which investment in Allente	866	1 369
of which investment in Telenor Microfinance Bank Limited	362	828
of which others	261	393

Additions

On 1 March 2023, the amalgamation¹² of the telecom operations True Corporation Public Company Ltd (True) and Total Access Communication Public Company Ltd (dtac) was completed. The previous shares in True and dtac were converted to shares in the newly established company True Corporation Public Company Ltd (True Corporation) with a conversion rate of 0.60018 and 6.13444, respectively. Due to the loss of control in dtac and the recognition of the new investment in True Corporation, Telenor recognised a gain of NOK 18.5 billion (see note 12 Held for sale and discontinued operations). The direct ownership-share in True Corporation was initially recognised at NOK 21.9 billion, representing a weighted average share price of THB 8.15. Telenor's previous ownership interest in dtac corresponds to an ownership interest in True Corporation of 27.3%. In addition, Telenor has acquired shares for NOK 3.0 billion, bringing the total ownership interest in True Corporation to 30.2%. The ownership interests are structured into direct ownership and indirect ownership through joint ventures owned together with Charoen Pokphand Group (CP Group). As of 31 December 2023, Telenor's ownership is divided into 26.3% direct ownership and 3.9% indirect ownership. The joint ventures are funded with shareholder loan by Telenor and CP Group.

On 30 November 2022, the merger between the telecommunication operations of Celcom and Digi in Malaysia was completed. On completion, Digi issued 3.96 billion shares to Celcom's owner Axiata in addition to making cash payments of NOK 5.4 billion. The share issue diluted Telenor's

¹¹ ¹² An amalgamation is a distinct form of merger where two or more companies combine to form a new legal entity. The original companies are dissolved.



ownership to 32.5%, Telenor lost control over Digi, and Digi was deconsolidated and recognised as an associated company as of 30 November 2022. As part of the transaction to bring Telenor and Axiata to equal ownership, Telenor acquired at the same date 73.4 million shares from Axiata for an amount of NOK 667 million. Telenor's ownership after the transaction in CelcomDigi is 33.1%. The gain of NOK 32.9 billion was recognised on the date of losing control over Digi based on a market value of the combined entity as of first day of trading i.e., 1 December 2022, which was NOK 34.1 billion for Telenor's interest in the new company CelcomDigi.

Disposals

On 10 August 2023, Telenor announced that it would be selling its 44.6% share in the software company Working Group Two to the global communications technology company Cisco at an estimated enterprise value of USD 150 million. The transaction was closed in the fourth quarter 2023 and a gain on disposal of NOK 670 million was recognised.

As announced on 17 January 2022, Telenor entered into an agreement with Yoma Strategic to sell the Group's 51% ownership share in Digital Money Myanmar Limited (Wave Money) to Yoma MFS Holdings Pte. Ltd, a subsidiary of Yoma Strategic. The transaction was closed on 7 December 2022 for a cash consideration of NOK 0.4 billion. The loss recognised on disposal was NOK 35 million during 2022.

In 2022, Telenor's economic interest in Carousell was diluted following new capital investment of USD 15 million. The loss of NOK 36 million was recognised during 2022 on deemed disposal. As of 31 December 2023, Telenor's economic interest in Carousell stands at 32.4.

Impairments

During 2023, impairments of NOK 8,505 million have been recognised related to investments in associated companies and joint ventures. The impairments were recognised for the investments in True Corporation (NOK 7,200 million) and in Telenor Microfinance Bank (NOK 376 million), which are part of Asia segment, and in Allente (465 million) and in Carousell (NOK 464 million), which are part of Amp segment.

During March 2023, Telenor initially recognised True as an associated company at fair value based on the weighted average market value at the time for conversion of shares in dtac to shares in True and subsequently acquisitions of shares in True. The direct ownership in True was recognised at NOK 21.9 billion, corresponding to a share price of NOK 8.15. A significant or prolonged decline in market value compared to cost is considered as objective evidence of impairment. The decline in fair value compared to cost became significant during 2023, and an impairment was recognised. After considering significant events reported by True Corporation in the fourth quarter 2023, the impairment amounts to NOK 7,200 million. The carrying amount for the direct ownership after impairment is NOK 13.5 billion as of 31 December 2023, which is based on the December closing share price of THB 5.05. At end of each reporting period going forward, the carrying value of True will be reassessed based on the closing share price, limiting any reversal to the amount of the original impairment. In addition, the shareholder loan provided to the joint venture have been impaired under net financial items by NOK 1,128 million (NOK 695 million in the fourth quarter 2023) due to the decline in market value of shares in True. The carrying amount of the receivable as of 31 December 2023 is NOK 2.0 billion.

The investment in Carousell was impaired following the deteriorating outlook for growth companies. Carousell is fast growing but does not generate positive EBITDA yet. Thus, a mean of multiples on sale from businesses with similar characteristics, has been used as basis for estimating its value. The carrying amount of the investment after impairment is NOK 2.2 billion, of which goodwill of NOK 2.3 billion.

Allente was impaired due to deteriorating business outlook given rapidly dropping customer base. In the discounted cash flow model we used a 10-year explicit forecast period, an insignificant terminal value, and a discount rate of 10.6%. The carrying amount of the investment after impairment is NOK 0.9 billion.

In the second quarter 2023, Telenor reassessed the fair value of the joint venture Telenor Microfinance Bank in Pakistan. The underlying operation in Telenor Microfinance Bank is performing well. However, due to increased macroeconomic uncertainty, reflected through increased weighted average cost of capital, the estimated fair value was below the carrying amount of Telenor Microfinance Bank. Hence, an impairment NOK 376 million has been recognised.



Material associates and joint ventures

CelcomDigi

CelcomDigi is an associated company where Telenor controls 33.1% of the shares and voting rights. The associate is accounted for using the equity method. CelcomDigi is a telecommunication company, listed on Bursa Malaysia Berhad and became the largest mobile network operator in Malaysia through a merger between the former Telenor subsidiary Digi and Celcom Axiata Berhad in November 2022. Telenor share of CelcomDigi's market value amounted to NOK 34.9 billion as of 31 December 2022.

The Group is not aware of significant restrictions limiting the ability of CelcomDigi to transfer funds to its shareholders. For example, under the form of dividends, repayment of advances or loans made.

As the financial quarterly results of the listed company CelcomDigi will not always be published at the time Telenor reports its quarterly results, Telenor will include the share of profits from CelcomDigi with a one-quarter lag. This means that Telenor's share of net income consists of CelcomDigi's reported numbers for the period from December 2022 to September 2023.

The following table sets forth the summarised financial information of CelcomDigi. The figures reflect the opening balance for CelcomDigi on 1 December 2022, adjusted for dividend received by Telenor in December 2022. The financial information includes the preliminary allocation of the excess values recognised as part of the merger, and reconciliation with the carrying amount of the investment for the Group.

NOK in millions	2023	2022
Statement of comprehensive income		
Revenue	24 345	-
EBITDA	11 421	-
Depreciation and amortization	(7 661)	-
Net financial items	(1 076)	-
Income tax expense	(706)	-
Net income (loss) from continuing operations	1 954	-
Other comprehensive income(loss)	-	-
Total comprehensive income (loss)	1 954	-
Telenor's ownership in %	33	33
Share of net income from associated companies	647	-
Share of other comprehensive income (loss)	-	-
Share of total comprehensive income (loss)	647	-
Statement of financial position		
Non-current assets	75 085	77 836
Current assets excluding cash and cash equivalents	12 529	9 593
Cash and cash equivalents	793	7 744
Non-current non-interest bearing liabilities	(3 866)	(6 978)
Non-current interest bearing liabilities	(24 528)	(33 310)
Current non-interest bearing liabilities	(15 263)	(8 194)
Total equity	44 751	46 691
Telenor's share of equity	13 193	15 455
Goodwill related to the Telenor's investment	20 570	18 981
Carrying amount of investment	33 763	34 436
Dividends received	1 136	289

**True Corporation**

True Corporation is an associated company where Telenor has a direct ownership of 26.3% and an indirect ownership through a joint venture of 3.9%, in total an ownership interest of 30.2%. The associate is accounted for using the equity method. True Corporation is a telecommunication company, listed on the Stock Exchange of Thailand. Telenor's share of True Corporation's market value, including the indirect ownership, amounted to NOK 15.5 billion as of 31 December 2023.

Telenor is not aware of significant restrictions limiting the ability of True Corporation to transfer funds to its shareholders. For example, under the form of dividends, repayment of advances or loans made.

As the financial quarterly results of the listed company True Corporation are not published at the time Telenor reports its quarterly results, Telenor include the share of net income from True Corporation with a one quarter lag. This means that for 2023, the period March 2023 to September 2023 is included in Telenor's share of True Corporation's net income for 2023. Telenor adjust for known significant events that occur in the fourth quarter. In the fourth quarter 2023, True recognised three significant events, and these events impacted Telenor's share of net income from True negatively with NOK 838 million. Including these three events in Telenor's share of net income, the impairment recognised in the fourth quarter is adjusted with the same amount. Hence, the impairment recognised for True in the fourth quarter 2023 report is adjusted from NOK 8,037 million to NOK 7,200 million. Telenor's share of profit for the year 2023 reflects Telenor's direct weighted average ownership share during the period of 25.3%, which consists of 19.6% directly owned shares through the entire month of March, 1.3% acquired 21 March 2023, and 5.4% acquired 17 April 2023. The following tables sets forth the summarised financial information of True Corporation, including the preliminary allocation of the excess values recognised as part of the merger, adjustments for difference in accounting policies, and reconciliation with the carrying amount of the investment for the Group.

NOK in millions		2023
Statement of comprehensive income		
Revenue		34 925
EBITDA		13 447
Depreciation and amortization		(12 453)
Net financial items		(4 313)
Income tax expense		(611)
Net income (loss) from continuing operations		(4 523)
Other comprehensive income(loss)		(19)
Total comprehensive income (loss)		(4 542)
Telenor's ownership in %		
Share of net income from associated companies		(1 146)
Impairments		(7 200)
Share of other comprehensive income (loss)		(5)
Share of total comprehensive income (loss)		(8 351)
NOK in millions		2023
Statement of financial position		
Non-current assets		198 676
Current assets excluding cash and cash equivalents		22 161
Cash and cash equivalents		7 440
Non-current non-interest bearing liabilities		(8 376)
Non-current interest bearing liabilities		(126 135)
Current non-interest bearing liabilities		(62 100)
Total equity		31 665
Telenor's share of equity		
Goodwill related to the Telenor's investment		8 306
Carrying amount of investment		5 226
		13 532
Dividends received		-

**Allente**

Allente Group AB (Allente) is a joint venture accounted for using the equity method where Telenor controls 50% of the shares and the voting rights. Allente is a Nordic TV distributor broadcasting via satellite and internet TV, to customers within Norway, Sweden, Denmark, and Finland. Allente was established in May 2020 through a merger between the former Telenor subsidiary Canal Digital and Nordic Entertainment Group (NENT).

The following table sets forth summarised financial information of Allente, including excess values from the merger in 2020, and reconciliation with the carrying amount of the investment for the Group:

NOK in millions	2023	2022
Statement of comprehensive income		
Revenue	6 584	6 472
EBITDA	841	1 181
Depreciation and amortization	(515)	(526)
Net financial items	(128)	(62)
Income tax expense	(68)	(123)
Net income (loss) from continuing operations	131	470
Other comprehensive income(loss)	(178)	83
Total comprehensive income (loss)	(47)	553
Telenor's ownership in %	50	50
Share of net income from associated companies	65	235
Impairments	(465)	-
Share of other comprehensive income (loss)	(89)	42
Share of total comprehensive income (loss)	(489)	277
Statement of financial position		
Non-current assets	3 983	4 401
Current assets excluding cash and cash equivalents	1 703	1 781
Cash and cash equivalents	492	144
Non-current non-interest bearing liabilities	(338)	(442)
Non-current interest bearing liabilities	(2 116)	(1 948)
Current non-interest bearing liabilities	(1 992)	(1 971)
Total equity	1 733	1 964
Telenor's share of equity	866	982
Goodwill related to the Telenor's investment	-	387
Carrying amount of investment	866	1 369
Dividends received	100	285

Joint operations

Telenor is part of four joint arrangements structured through separate vehicles for networks sharing in Sweden, Denmark, and Finland. The activities are designed for the provision of output to the investors and hence these arrangements are classified as joint operations.

Joint Operation	Description	Ownership interest in %
3G Infrastructure Services AB	Joint operation with the mobile operator 3 in Sweden ¹⁾	50
Net4Mobility HB	Joint operation under partnership agreement with the mobile operator Tele2 Sverige AB in Sweden ¹⁾	50
TT Netværket P/S	Joint operation with the mobile operator TeliaSonera Mobile Holding AB in Denmark	50
Suomen Yhteisverkko Oy	Joint operations with mobile Operator Telia Finland Oy in Finland ²⁾	49

¹⁾ Under Swedish law, all partners in a partnership are jointly and severally liable for all obligations in a partnership.

²⁾ According to the shareholder's agreement, both partners in are jointly and severally liable for all obligations in the joint undertaking.

NOTE 36 **Related parties**

Telenor ASA is 53.97% owned by the Kingdom of Norway represented through the Ministry of Trade, Industry and Fisheries (MTIF). Transactions between Telenor and Norwegian authorities are therefore regarded as related party transactions. Further, transactions between Telenor and its associated companies and joint ventures are regarded as related party transactions. All transactions with these related parties are based on the arm's length principle.

Transaction with Norwegian authorities

The Norwegian telecommunications market is governed by the Electronic Communications Act of 4 July 2003 and other regulations issued pursuant to this Act. The Group provides designated Universal Service Obligations (USO) through an agreement between the Group and the Norwegian Ministry of Local Government and Regional Development (MLGRD), which from January 2024 is transferred to the new Ministry of Digitalisation and Public Governance. The USO obligation entails among other things the provision of public voice telephony and basic access to internet to all households and companies. Telenor is imposed USO obligations to provide text telephony services for the deaf and hearing impaired but does not receive any compensation for providing the USO services.

In addition, Telenor was in 2023 and 2022 subject to Special Service Obligations (SSO), mainly related to security and emergency following an agreement between the Norwegian Ministry of Justice and Public Security and Telenor Coastal Radio. In 2023 and 2022, NOK 102 million and NOK 97 million, respectively, was received as compensation under this agreement.

Telenor may also receive compensation for the obligations to fulfil additional requirements on the network to serve national security issues and other statutory services. In 2023 and 2022, a refund related to such activities of NOK 89 million and NOK 110 million, respectively, was received.

In 2023 and 2022, Telenor received NOK 181 and NOK 274 million in government grants, respectively, in connection with construction of broadband networks in designated areas in Norway.

Telenor pays an annual fee to Norwegian Communications Authority and an annual levy to MLGRD for delivering electronic communication services, including payments for frequencies and numbers. The fee/levy was NOK 194 million and NOK 189 million in 2023 and 2022, respectively.

In addition, Telenor sold transmission capacity and related services in the digital and analogue terrestrial transmission network to Norsk rikskringkasting AS of NOK 235 million in 2023 and NOK 226 million in 2022.

Telenor provides mobile and fixed telephony services, leased lines, customer equipment, internet connections, TV distributions and other services to the state and companies controlled by the state in the normal course of business and at arms-length prices. It also purchases services, such as postal services, in the normal course of business and at arm's-length prices. Details of such transactions are not included in this note.

Transactions with associated companies and joint ventures

The transactions with associated companies and joint ventures are shown in the table below.

NOK in millions	2023		2022	
	Sales to	Purchases from	Sales to	Purchases from
	867	(852)	483	(791)

The receivables from and amounts due to associated companies and joint ventures are shown in the table below.

NOK in millions	2023		2022	
	Receivables	Payables	Receivables	Payables
	191	(38)	210	(41)

Sales to associated companies in 2023 and 2022 include NOK 418 million and NOK 420 million in sale of satellite capacity to Allente Group. Purchases from Strex AS regarding mobile content services were NOK 583 million in 2023 and NOK 578 million in 2022.

True Corporation was accounted for as an associate company from March 2023 upon the completion of the amalgamation between True and dtac. Sales to associated companies in 2023 include NOK 199 million in sale to True Corporation, after the completion of the merger, mainly through Telenor Procurement Company. Telenor has a receivable against True of NOK 86 million.

CelcomDigi was accounted for as an associate company from December 2022 upon the completion of the merger between Digi and Celcom. Sales to associated companies in 2023 include NOK 201 million in sale to CelcomDigi, mainly through Telenor Procurement Company. Telenor has a receivable against CelcomDigi of NOK 71 million (NOK 131 million in 2022, of which NOK 72 million are related to integration costs from 2021 and 2022).

Transactions with subsidiaries and joint operations have been eliminated on consolidation and do not represent related party transactions. See note 35 for further information about joint operations and Note 34 for further information about group companies.

For compensation to key management personnel, please refer to Note 37 Key management compensation.



NOTE 37 Key management compensation

Key management compensation

The table below outlines key management compensation for 2023 and 2022 by categories. The figures presented in each category are the total amounts for both the President & CEO and the Group Leadership Team (GLT).

NOK in millions	2023	2022
Base salary ¹⁾	43.5	39.3
Benefits ²⁾	5.9	4.0
Short-term incentive (STI) ³⁾	14.6	11.5
Long-term incentive (LTI) ⁴⁾	5.8	11.3
Pension ⁵⁾	8.0	6.9
Total compensation	77.8	73.0

¹⁾ Base salary includes holiday pay, if applicable.

²⁾ Benefits include any type of cash or benefit in kind provided, such as car allowance or car benefit, insurances, mobile phone and broadband subscriptions and expatriate benefits such as accommodation and children schooling.

³⁾ The STI amounts reflect the annual bonus earned in the respective year. Any applicable holiday pay is reported under 'Base salary'.

⁴⁾ The LTI is a multi-year incentive plan that is a restricted share plan under which participants can receive Telenor ASA shares or phantom shares for a defined maximum percentage of their annual base salary. The shares are locked for a period of 3 years (4 years for the shares granted prior to 2020). The amounts reported for the LTI plan reflect the annual cost of all active programs in that year.

⁵⁾ The calculations of pension benefits earned are based on the same actuarial and other assumptions as used in the pension benefit calculations in note 21.

In addition to the above, fees to the Board of Directors amount to NOK 6.3 million in 2023 and NOK 6.4 million in 2022. The fees consist of an annual fee reflecting the role in the Board and additional fees for any board committee the respective director takes part in.

For more information about key management compensation, the Executive Compensation Report is available here: [Executive Compensation - Telenor Group](#).

Loans to employees

Total loans to employees were NOK 30.0 million as of 31 December 2023 and NOK 4.3 million as of 31 December 2022.

NOTE 38 Fees to external auditor

The table below summarises incurred audit fees for 2023 and 2022 and fees for audit related services, tax services and other services. Fees include both Norwegian and foreign subsidiaries.

NOK in millions, excluding VAT	Audit fees		Fees for further assurance services		Fees for tax services ¹⁾		Other fees	
	2023	2022	2023	2022	2023	2022	2023	2022
Telenor ASA	6.7	7.0	1.7	0.7	1.4	0.6	1.7	0.1
Other Group companies	33.1	32.7	2.6	5.6	16.8	14.7	5.1	8.7
Total Group auditor	39.8	39.7	4.4	6.4	18.3	15.3	6.7	8.8
Other auditors in subsidiaries	0.6	0.5	0.1	0.0	0.0	0.0	0.0	0.0
Total	40.5	40.2	4.4	6.4	18.3	15.3	6.7	8.8

¹⁾Fees for tax services in 2022 has been corrected as communicated at the AGM 2023.

Fees for audit services include fees associated with the required statutory and financial audits. Further assurance services principally include other attestation services required by laws and regulations, attestations related to information system, audits, attestations and agreed upon procedures reported on to regulators and other third parties.

Fees for tax services include tax compliance and advice regarding tax rules and consequences, as well as tax due diligence services in connection with acquisitions, disposals, and other transactions. Other fees relate primarily to process/system/project/supplier reviews, financial due diligence services and consultations in connection with acquisitions, disposals, and other transactions.



NOTE 39 Share information and ownership

Telenor ASA had about 59,700 registered shareholders as of 31 December 2023, compared to about 61,300 the year before. All ordinary Telenor shares have equal voting rights and the right to receive dividends.

Share information

As of 31 December 2023, Telenor ASA had a share capital of NOK 8,396,748,198 divided into 1,399,458,033 ordinary shares with a nominal value of NOK 6 each. As of 31 December 2023 the company held 14,411,760 treasury shares which consist of 14,320,524 shares from share buyback programme (see Note 28 Equity) and 91,236 shares from Share-based payment programme (see Note 5 Salaries and personnel costs). The company held no treasury shares as of 31 December 2022.

Shareholders

The 20 largest shareholders as of 31 December 2023 from the shareholder register ¹⁾

Name of shareholders	Number of shares	%
1 Ministry of Trade, Industry and Fisheries, Kingdom of Norway	755 220 420	53.97
2 Folketrygdfondet	60 444 622	4.32
3 State Street Bank and Trust Comp	28 444 377	2.03
4 State Street Bank and Trust Comp	24 742 229	1.77
5 State Street Bank and Trust Comp	24 286 445	1.74
6 CLEARSTREAM BANKING S.A.	13 786 374	0.99
7 JPMorgan Chase Bank	13 202 382	0.94
8 State Street Bank and Trust Comp	11 258 029	0.80
9 JPMorgan Chase Bank	9 745 288	0.70
10 SIX SIS AG	8 281 335	0.59
11 Euroclear Bank S.A./N.V.	7 747 782	0.55
12 State Street Bank and Trust Comp	7 030 165	0.50
13 State Street Bank and Trust Comp	6 996 554	0.50
14 DZ Privatbank S.A.	6 982 851	0.50
15 VERDIPAPIRFONDET KLP AKSJENORGE IN	6 904 755	0.49
16 VPF DNB AM NORSKE AKSJER	6 517 071	0.47
17 The Bank of New York Mellon SA/NV	6 451 924	0.46
18 VERDIPAPIRFONDET STOREBRAND NORGE	6 135 709	0.44
19 State Street Bank and Trust Comp	6 094 147	0.44
20 Citibank	5 367 500	0.38
Total held by 20 largest shareholders	1 015 639 959	72.57
Total all Telenor shares	1 399 458 033	100.00

The 20 largest shareholders as of 31 December 2023 beneficial ownership ²⁾

Name of shareholders	Number of shares	%
1 Government of Norway	755 220 420	53.97
2 Folketrygdfondet	60 444 622	4.32
3 DNB Asset Management AS	27 416 448	1.96
4 The Vanguard Group, Inc.	23 323 542	1.67
5 BlackRock Institutional Trust Company, N.A.	21 916 647	1.57
6 DWS Investment GmbH	21 164 711	1.51
7 Storebrand Kapitalforvaltning AS	19 314 363	1.38
8 Caisse de Depot et Placement du Quebec	16 231 737	1.16
9 KLP Fondsforvaltning AS	14 198 576	1.01
10 BlackRock Advisors (UK) Limited	10 748 839	0.77
11 Pyrford International Limited	9 847 241	0.70
12 State Street Global Advisors (US)	8 850 805	0.63
13 Handelsbanken Kapitalförvaltning AB	8 015 203	0.57
14 Nordea Funds Oy	7 606 489	0.54
15 Danske Bank Asset Management	7 382 402	0.53
16 Danske Invest Asset Management AS	7 043 749	0.50
17 Union Investment Luxembourg S.A.	6 815 660	0.49
18 Acadian Asset Management LLC	6 588 179	0.47
19 Legal & General Investment Management Ltd.	6 422 025	0.46
20 Alfred Berg Kapitalforvaltning AS	6 271 416	0.45
Total held by 20 largest shareholders	1 044 823 074	74.66
Total all Telenor shares	1 399 458 033	100.00

¹⁾ Source: VPS share register

²⁾ The data is provided by Nasdaq Advisory Services and is obtained through an analysis of beneficial ownership and fund manager information provided in replies to disclosure of ownership notices issued to all custodians on the Telenor VPS share register. Every reasonable effort has been made to verify the data; however, neither Telenor nor Nasdaq Advisory Services can guarantee the accuracy of the analysis.



NOTE 40 Events after the reporting period

Divestment of Telenor Satellite to Space Norway

On 4 January 2024, Telenor announced the closing of the transaction regarding the sale of Telenor Satellite to Space Norway. The transaction of agreed sales price of NOK 2.36 billion resulted in a gain for Telenor of around NOK 1.3 billion which will be recorded in Q1 2024.

Dividends Grameenphone (Bangladesh)

On 5 February 2024, the Board of Directors of Grameenphone Ltd. proposed final dividend for 2023 of BDT 12.5 per share, which corresponds to approximately NOK 1.6 billion total dividend and approximately NOK 0.7 billion for the non-controlling interests ownership share.

Collection of proof of submission of income tax return from suppliers (Bangladesh)

On 22 June 2023, a new 'Income Tax Act 2023' was introduced in Bangladesh imposing the mandatory presentation of proof of submission of income tax return (PSR) for local suppliers & service providers. Due to ambiguity on PSR compliance requirement for government entities, e.g. Bangladesh Telecommunication Regulatory Commission (BTRC) and Bangladesh Railway (BR), Grameenphone maintained provisions for the tax disallowance from the enactment date of the new Act up to 31 December 2023. Subsequently on 27 February 2024, a General Order issued by the National Board of Revenue exempted both BTRC and BR from the requirement of PSR compliance for the Assessment Year 2023-24; thereby resolving the aforementioned disallowance risk for Grameenphone in the relevant period. The financial statements for 2023 have not been adjusted as this is a non-adjusting event after the reporting period.

Impact from significant events in True Corporation in Q4 2024

Telenor recognises the share of net income under the equity method from the associated companies True Corporation and CelcomDigi with a one quarter lag, as the financial results from these entities may not be available at the time Telenor publishes its results. Adjustments are made for significant transactions or events known in the market before the annual report of Telenor is published. On 22 February 2024, True Corporation issued their Q4 2023 results where they reported three significant one-time effects, amounting to NOK 838 million. Telenor has included the significant one-time effects in the line "share of net income (loss) from associated companies and joint ventures" in the income statement for 2023. The reported one-time effects from True, reduce Telenor's carrying amount of True Corporation and hence the required impairment in 2023, resulting in "impairment and gain (loss) of associated companies and joint ventures" in the income statement has decreased with the same amount. The net income for the Telenor Group remains unchanged. Refer to note 35 for further information.



Parent Company Income Statement

Telenor ASA 1 January – 31 December

NOK in millions	Note	2023	2022
Revenues	1	477	871
Salaries and personnel costs	2, 14	(619)	(634)
Other operating expenses	3	(641)	(918)
EBITDA		(783)	(681)
Depreciation, amortisation and impairment losses	7, 8	(57)	(50)
Operating profit		(840)	(731)
Financial income and expenses			
Financial income	5	21 001	7 841
Financial expenses	5	(4 006)	(1 384)
Net currency gains (losses)	5	(3 221)	(2 563)
Net change in fair value of financial instruments	5	95	406
Net gains (losses and impairment) on financial assets	5	(382)	-
Net financial income (expenses)		13 487	4 300
Profit before taxes		12 647	3 569
Income taxes	6	974	2 207
Net income		13 621	5 776



Parent Company Statement of Comprehensive Income

Telenor ASA 1 January – 31 December

NOK in millions	2023	2022
Net income	13 621	5 776
Other comprehensive income (loss)		
Remeasurement of defined benefit pension plans	44	33
Income taxes on pension remeasurement	(10)	(7)
Items that will not be reclassified to income statement	34	26
Other comprehensive income (loss), net of taxes	34	26
Total comprehensive income (loss)	13 655	5 802



Parent Company Statement of Financial Position

Telenor ASA as of 31 December

NOK in millions	Note	2023	2022
ASSETS			
Deferred tax assets	6	2 487	1 254
Pension funds	14	252	156
Goodwill		20	20
Intangible assets	7	-	4
Right-of-use assets	8	877	900
Property, plant and equipment		6	11
Shares in subsidiaries	9	163 955	154 787
Non-current interest-bearing receivables from Group companies	15	31 186	32 126
Other non-current financial assets	10, 11	1 580	4 497
Total non-current assets		200 363	193 755
Trade receivables from Group companies	15	223	515
Trade receivables external		2	19
Other current financial assets	10, 11, 15	582	199
Liquid assets and short-term placements	11	11 857	4 651
Total current assets		12 664	5 384
Total assets		213 027	199 139
EQUITY AND LIABILITIES			
Equity	12	103 796	104 856
Liabilities			
Non-current lease liabilities	8, 15	854	860
Non-current interest-bearing external liabilities	11	72 815	64 962
Non-current non-interest-bearing external liabilities	11	898	1 420
Pension obligations	14	504	488
Other provisions		60	73
Total non-current liabilities		75 131	67 803
Current lease liabilities	8, 15	70	67
Current interest-bearing liabilities to Group companies	11, 15	5 899	15 102
Current interest-bearing external liabilities	11	11 295	5 263
Drawings on Group's cash pool	11	14 912	4 777
Current non-interest-bearing liabilities to Group companies	11, 13, 15	179	112
Current non-interest-bearing external liabilities	11, 13	1 745	1 159
Total current liabilities		34 100	26 480
Total equity and liabilities		213 027	199 139

Fornebu, 21 March 2024

 Jan Geldmacher Board member	 Jens Petter Olsen Chair	 Nina Bjørnstad Board member	 Pieter Knook Board member	 Gyrid Skalleberg Ingerø Vice Chair of the Board	 Astrid Simonsen Joos Board member	 Ottar Ertzeid Board member
 Espen Smistad Employee-elected Board member	 Irene Vold Employee-elected Board member	 Sune Jakobsson Employee-elected Board member	 Sigve Brekke President and CEO			



Parent Company Statement of Cash Flows

Telenor ASA 1 January – 31 December

NOK in millions	Note	2023	2022
Profit before taxes		12 647	3 569
Income taxes paid	6	2 212	(1 509)
Net (gains) losses, impairment and change in fair value of financial assets and liabilities	5	382	-
Depreciation, amortisation and impairment losses	7, 8	57	50
Net interest (income) expenses (external)	5	1 999	737
Received dividend	5	13 900	-
Recognised dividend	5	(13 900)	-
Net changes in interest accruals against Group companies		(1 042)	(316)
Net currency (gains) losses not relating to operating activities		3 206	3 208
Interest received (external)		402	177
Interest paid (external)		(2 044)	(1 046)
Net changes in other accruals		376	284
Net cash flow from operating activities		18 195	5 154
Purchases of property, plant and equipment and intangible assets		(3)	(3)
Purchases of and capital increase in subsidiaries	9	(9 550)	-
Net cash flow from investing activities		(9 553)	(3)
Proceeds from borrowings		15 603	2 077
Repayments of borrowings		(6 420)	(7 699)
Payments of lease liabilities	8	(25)	(23)
Net change in Group's cash pool		(5 885)	7 883
Purchase of treasury shares		(1 783)	(100)
Received from sale of treasury shares		80	100
Dividends paid to equity holders of Telenor ASA	12	(13 017)	(13 015)
Net cash flow from financing activities		(11 447)	(10 777)
Effect on cash and cash equivalents of changes in foreign exchange rates		(124)	132
Net change in cash and cash equivalents		(2 929)	(5 494)
Cash and cash equivalents as of 1 January		(126)	5 368
Cash and cash equivalents as of 31 December		(3 055)	(126)
Specification of cash and cash equivalents:			
Liquid assets and short-term placements		11 857	4 651
Drawings on Group's cash pool		(14 912)	(4 777)
Cash and cash equivalents as of 31 December		(3 055)	(126)



Parent Company Statement of Changes in Equity

Telenor ASA – for the years ended 31 December 2022 and 2023

NOK in millions (except for number of shares)	Number of shares	Share capital	Treasury shares	Share premium	Pension re-measurement reserve	Other reserves	Retained earnings	Total equity
Equity as of 1 January 2022	1 399 458 033	8 397	-	69	25	(19 299)	122 873	112 065
Net income for the period	-	-	-	-	-	-	5 776	5 776
Other comprehensive income for the period	-	-	-	-	26	-	-	26
Total comprehensive income	-	-	-	-	26	-	5 776	5 802
Dividends	-	-	-	-	-	-	(13 015)	(13 015)
Share buyback	-	-	(5)	-	-	(95)	-	(100)
Share-based payment, exercise of share options and distribution of shares	-	-	5	-	-	99	-	104
Equity as of 31 December 2022	1 399 458 033	8 397	-	69	51	(19 295)	115 634	104 856
Net income for the period	-	-	-	-	-	-	13 621	13 621
Other comprehensive income for the period	-	-	-	-	34	-	-	34
Total comprehensive income	-	-	-	-	34	-	13 621	13 655
Dividends	-	-	-	-	-	-	(13 017)	(13 017)
Share buyback	-	-	(91)	-	-	(1 692)	-	(1 783)
Share-based payment, exercise of share options and distribution of shares	-	-	4	-	-	81	-	85
Equity as of 31 December 2023	1 399 458 033	8 397	(87)	69	85	(20 906)	116 238	103 796



Notes to the Financial Statements of Parent Company

Telenor ASA

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**NOTE 1 General information and summary of significant accounting principles**

Telenor ASA is a holding company and contains the Group Management, Corporate Functions, Research and Development and the Group's internal bank (Group Treasury).

The financial statements have been prepared in accordance with simplified IFRS Accounting Standards pursuant to the Norwegian Accounting Act § 3-9 and regulations regarding simplified application of IFRS Accounting Standards issued by the Ministry of Finance on 21 January 2008.

Telenor ASA's accounting principles are consistent with the accounting principles for the group. Where the notes for the parent company are substantially different from the notes for the group, these are shown below. Otherwise, refer to the notes to the consolidated financial statements.

Telenor ASA uses the indirect method for the statement of cash flows. Cash and cash equivalents consist of liquid assets, short-term placements, and drawings from cash pool. Net change in group internal drawing rights are loans to, and placements from group companies. These loans and placements have high turnover and are presented net.

Revenues are mainly sale of group services to other group companies, sale of research and development services and sale of other consultancy services. Purchases from other group companies consist mainly of consultancy fees in strategic group projects, property lease, IT-operations, and maintenance.

Telenor ASA conducts the main part of the external debt financing in the group, and provides loan and guarantees to, and receives deposits from group companies. See note 30 to the consolidated financial statements.

Shares in subsidiaries and loans provided to subsidiaries are evaluated at the lower of cost or fair value. Any impairment losses and reversal of impairment losses are classified as net gains (loss and impairment) on financial assets in the income statement.

NOTE 2 Salaries and personnel costs

The Group's Chief Executive Officer and the Board of Directors have the same positions in Telenor ASA. Please refer to chapter 11 and 12 in the corporate governance section of the Board of Directors' report as well as note 37 and note 38 of the consolidated financial statements, for further information about compensation to the Board of Directors, management and auditor.

NOK in millions	2023	2022
Salaries and holiday pay	(443)	(457)
Social security tax	(75)	(69)
Pension cost including social security tax (note 14)	(58)	(65)
Share-based payments ¹⁾	(22)	(24)
Other personnel costs	(21)	(19)
Total salaries and personnel costs	(619)	(634)
Number of labour-years employed, average	269	321

¹⁾ Share-based payments are costs related to Telenor's employees share program and Long Term Incentive plan (LTI) for senior executives and key personnel.

NOTE 3 Other operating expenses

NOK in millions	2023	2022
Operating expenses related to country offices and services from shared service centres	(143)	(297)
Cost of premises, vehicles, office equipment, operation and maintenance etc.	(97)	(127)
Marketing, representation and sales commission	(31)	(27)
Workforce reductions and onerous contracts	(26)	(105)
Other operating expenses ¹⁾	(344)	(362)
Total other operating expenses	(641)	(918)

¹⁾ Other operating expenses are primarily related to safeguarding of interests and assessment of new market opportunities. In addition, audit fees and other fees to the auditor are included, see note 38 in the consolidated financial statements. In 2023 and 2022 there are bad debt provisions of NOK 204 million against intercompany trade receivables.

NOTE 4 Research and development costs

Research and development expenses in Telenor ASA were NOK 57 million in 2023 and NOK 135 million in 2022. Research and development activities relate to new technologies and secure full utilisation of existing technologies and network. Reduction is due to reorganisation and change of principle.



NOTE 5 Financial income and expenses

NOK in millions	2023	2022
Interest income from Group companies	1 665	643
Interest income (external)	476	182
Group contribution and dividends from subsidiaries	18 856	7 011
Other financial income	4	5
Total financial income	21 001	7 841
Interest expenses to Group companies	(1 431)	(426)
Interest expenses (external)	(2 475)	(919)
Other financial expenses	(100)	(39)
Total financial expenses	(4 006)	(1 384)
Foreign currency gain	1 364	932
Foreign currency loss	(4 585)	(3 495)
Net foreign currency gains (losses)	(3 221)	(2 563)
Net change in fair value of financial instruments at fair value through profit or loss	(175)	611
Net change in fair value of hedging instruments and hedged items	270	(205)
Net change in fair value of financial instruments	95	406
Impairment losses on shares in subsidiaries ¹⁾	(382)	-
Net gains (losses and impairment) on financial assets	(382)	-
Net financial income (expenses)	13 487	4 300

1. Impairment losses on shares in subsidiaries are related to impairment of NOK 246 million in Telenor Real Estate AS and impairment of NOK 136 million in Telenor GTI AS.

Group contribution and dividends received from group companies are recognised as financial income in the year it is approved by the General Meeting in the relevant company and Telenor ASA obtains the right to the group contribution and dividends. In 2023, Telenor ASA received and recognised NOK 5.0 billion in tax-free group contribution from Telenor Mobile Communications AS, which relates to the financial year 2022. Telenor ASA also received dividends of NOK 12.4 billion from Telenor Networks Holding AS, dividends of NOK 0.9 billion from Telenor KB AS and dividends from Telenor GTI AS of NOK 0.6 billion.

In 2022, Telenor ASA received and recognised NOK 7.0 billion in taxable group contribution, which relates to the financial year 2021.

NOTE 6 **Income taxes**

NOK in millions	2023	2022
Profit before taxes	12 647	3 569
Current taxes	-	-
Reversal of tax expense related to losses on guarantee for Unitech Wireless (India)	(221)	-
Reversal of tax provision related to losses on loans and guarantees	-	330
Resolution of disputed items and adjustment in previous years' current income tax	(48)	2 491
Change in deferred taxes	1 243	(742)
Income tax	974	2 207

Tax basis

Profit before taxes	12 647	3 569
Effect of other comprehensive income and tax-free transfers	44	33
Non-deductible expenses and tax-free income	562	(197)
Group contribution previous year	-	(7 011)
Dividend – tax-free	(13 900)	-
Group contribution previous year – tax-free	(4 956)	-
Changes in temporary differences recognised in income statement	11 534	338
Group contribution current year	(2 663)	-
Tax loss carryforwards	(3 268)	3 268
Tax basis for the year	-	-
Current taxes at nominal income tax rate in Norway (22% in 2023 and 2022)	-	-

Effective tax rate

Income tax expense at corporate income tax rate in Norway (22% in 2023 and 2022)	(2 782)	(785)
Non-deductible expenses and tax-free income	(133)	36
Accounting effect of received tax-free dividend	3 058	-
Accounting effect of received tax-free group contribution	1 090	-
Resolution and adjustments of disputed item	(269)	2 949
Other	10	7
Income tax	974	2 207
Effective tax rate in %	-7.70%	-61.83%

NOK in millions	2023	2022	Changes
Temporary differences as of 31 December			
Non-current assets	(3)	(4)	1
Interest element in connection with fair value hedges of liabilities	2 043	3 277	(1 234)
Financial derivatives	(3 532)	(4 566)	1 034
Losses on guarantees	(280)	(280)	-
Unrealised foreign exchange losses and gains on non-current borrowings	(11 081)	-	(11 081)
Other accruals for liabilities	(93)	(86)	(7)
Pension liabilities	(251)	(332)	81
Group contribution	2 663	-	2 663
Disallowed interest deduction carried forward	(769)	(441)	(328)
Tax loss carryforwards	-	(3 268)	3 268
Total temporary differences as of 31 December	(11 303)	(5 700)	(5 603)
Tax rate	22%	22%	-
Net deferred tax assets	2 487	1 254	1 233

Changes in net deferred tax assets:

Recognised in other comprehensive income ¹⁾	(10)
Recognised in the income statement	1 243

¹⁾ Deferred taxes recognised in other comprehensive income is related to tax re-measurement of defined benefit pension plans. Other comprehensive income elements are presented gross in the comprehensive income with the related tax effect on a separate line. Tax effect of 22% is included in change in deferred taxes.



The general tax rate in Norway is 22% in 2023.

In 2012, Telenor ASA recorded a loss after having repaid, as guarantor, all Unitech Wireless' interest-bearing borrowings, amounting to NOK 10.6 billion. A deferred tax asset of NOK 2.5 billion was recognised. In 2013, the business transfer from Unitech Wireless to Telenor India was completed, and Telenor ASA deducted NOK 9.3 billion as loss on guarantees in its tax filing. In 2019, Telenor ASA has received a reassessment order from the Norwegian tax authorities disallowing deduction for the loss, which increases previous years' current income tax with NOK 2.5 billion in 2019. The decision was upheld by the Tax Appeal Board. Telenor ASA appealed the decision to the district court. In 2022, the district court decided in favour of Telenor ASA, and the tax expense was reversed with NOK 2.5 billion in 2022. The government has appealed the ruling to the Appeal Court. In 2023, the Appeal Court ruled mainly in favour of Telenor ASA as it upheld the decision by the District Court (Tingretten) that the losses of NOK 9.2 billion were tax deductible. The timing for tax deduction of the losses was changed from 2013 to 2015, which resulted in lower effective tax deduction and increased previous years current income tax NOK 0.2 billion due to declining tax rates. The government filed an appeal to the Supreme Court, but the Appellate Committee decided not to allow the appeal to be heard. The ruling from the Appeal Court then became final, and accordingly Telenor ASA has received repayment of taxes with NOK 2.3 billion together with interest of NOK 149 million in 2023.

Non-deductible expenses and tax-free income for 2023 includes impairment of NOK 246 million related to Telenor Real Estate AS and NOK 136 million related to Telenor GTI AS.

For 2023, Telenor ASA has elected to apply the option under Norwegian tax rules to treat accumulated unrealised foreign losses on non-current borrowings as a temporary difference, and the resulting increased taxable income is offset against tax losses carry forwards in Telenor ASA and other Norwegian group companies through group contributions.

Telenor ASA claimed deductions for losses on loans and guarantees related to the subsidiary Cinclus Technology AS in 2008 with NOK 0.5 billion and in 2011 with NOK 0.7 billion. The Tax Office disallowed deductions for 2008 by decision of 21 December 2016, and for 2011 by decision of 21 February 2018. Telenor ASA appealed the decisions. On 6 June 2022, the Tax Appeal Board decided that Telenor ASA should be allowed deductions, and the tax expense was therefore reversed by an additional NOK 0.3 billion in 2022.

NOTE 7 **Intangible assets****2023**

NOK in millions	Accumulated cost as of 1 January	Additions	Disposals	Amortisations and impairment losses	Accumulated amortisations and impairment losses	Carrying amount as of 31 December
Software purchased (5 years)	412	4	(358)	(4)	(58)	-
Work in progress	4	-	(4)	-	-	-
Total intangible assets	416	4	(362)	(4)	(58)	-

2022

NOK in millions	Accumulated cost as of 1 January	Additions	Disposals	Amortisations and impairment losses	Accumulated amortisations and impairment losses	Carrying amount as of 31 December
Software purchased (5 years)	412	-	-	-	(412)	-
Work in progress	5	-	(1)	-	-	4
Total intangible assets	417	-	(1)	-	(412)	4

NOTE 8 **Leases****Group as lessee**

Telenor disposed its ownership of the headquarter office building at Fornebu, Norway in 2020.

Upon closing of the transaction, the group entered into several lease agreements with Snarøyveien 30 AS for leasing back office space in parts of the building. In 2021 Telenor has entered corresponding new lease agreements with group companies that have offices at Fornebu with the same conditions.

The non-cancellable period under the lease agreements is between 7-15 years, with a lease term of 7-25 years.

Telenor ASA has accounted for the new lease agreements in accordance with IFRS 16 *Leases* from commencement date of the agreement on 1 October 2021.

Lease liability and a corresponding right-of-use asset is recognised at the commencement date of the lease.

Right-of-use assets

NOK in millions	Buildings
Accumulated cost	
As of 1 January 2022	956
Additions	-
As of 31 December 2022	956
Additions	
As of 31 December 2023	978
Accumulated depreciation	
As of 1 January 2022	(11)
Amortisation	(45)
As of 31 December 2022	(56)
Amortisation	
As of 31 December 2023	(101)
Carrying amount	
As of 31 December 2022	900
As of 31 December 2023	877
Related lease liability disaggregated per class of right-of-use assets	
As of 31 December 2022	927
As of 31 December 2023	924



Lease liability

NOK in millions	2023			2022		
	Current	Non-current	Total	Current	Non-current	Total
Lease liability related to buildings	70	854	924	67	860	927
Total lease liabilities	70	854	924	67	860	927

The lease liabilities maturity profile is as follow:

NOK in millions	Total as of 31.12.23	< 1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	>10 years
Lease liabilities - buildings	924	70	71	71	69	65	66	66	67	67	68	244
Sum of lease liabilities	924	70	71	71	69	65	66	66	67	67	68	244
Future interest payments	281	22	21	20	20	19	18	18	17	16	15	95
Total including future interest	1 205	92	92	91	89	84	84	84	84	83	83	339

Changes in lease liabilities are presented below:

NOK in millions	2023	2022
Lease liabilities as of 1 January	927	950
Increase in lease liabilities related to other lease contracts due to new contracts or modification of existing contracts	22	-
Increase due to interest expense accrued	22	22
Decrease due to repayments of principal portion of lease liabilities	(25)	(23)
Decrease due to repayments of interest portion of lease liabilities	(22)	(22)
Lease liabilities as of 31 December 2023	924	927

Cash payments made relating to lease contracts are presented below:

NOK in millions	Classification in cash flow statement	2023	2022
Repayments of lease liabilities – principal portion	Financing activities	25	23
Repayments of lease liabilities – interest portion	Operating activities	22	22
Total cash outflow		47	45

Expenses recognised in the income statement related to lease contracts are presented below:

NOK in millions	Classification in income statement	2023	2022
Depreciation of right-of-use assets	Depreciation and amortisation	45	45
Interest expenses on lease liabilities	Financial expenses (note 5)	22	22
Variable lease expenses not dependent on index or rate	Other operating expenses (note 3)	36	28
Total		103	95



NOTE 9 Shares in subsidiaries

The table below sets forth Telenor ASA's ownership interest in its subsidiaries. These subsidiaries is mainly holding companies. Telenor had 100 subsidiaries in 19 countries at year-end 2023 and are shown in note 34 in the consolidated financial statements. Ownership interests correspond to voting interest if not otherwise stated.

Shares in subsidiaries

NOK in millions	Office	Ownership interest in % 2023	Ownership interest in % 2022	Carrying amount as of 31 December 2023	Carrying amount as of 31 December 2022
Telenor Network Holding AS ¹⁾	Norway	100.0	100.0	80 817	71 277
Telenor Shared Services AS ²⁾	Norway	100.0	100.0	626	626
Telenor Communication II AS	Norway	100.0	100.0	7 235	7 235
Telenor Mobile Holding AS	Norway	100.0	100.0	70 977	70 977
Telenor KB AS	Norway	100.0	100.0	-	-
Telenor Forsikring AS	Norway	100.0	100.0	300	300
Telenor Maritime AS ³⁾	Norway	98.9	98.9	172	172
Telenor GTI AS ⁴⁾	Norway	100.0	100.0	3 714	3 850
Cinclus Technology AS ⁵⁾	Norway	0.0	100.0	-	-
Telenor Real Estate AS ⁶⁾	Norway	100.0	100.0	105	351
Telenor Digital Infrastructure Holding AS ⁷⁾	Norway	100.0	0.0	10	-
Total				163 955	154 787

1. There has been a capital injection from Telenor ASA to Telenor Networks Holding AS in 2023.
2. The company was presented as Telenor Global Shared Services AS earlier.
3. The remaining 1.1% of shares in Telenor Maritime AS are owned by Telenor Communication II AS.
4. The shares in Telenor GTI AS were impaired in 2023 by NOK 136 million.
5. The company is merged with Telenor Communication II AS in 2023.
6. The shares in Telenor Real Estate AS were impaired in 2023 by NOK 246 million.
7. The company is newly established in 2023.

NOTE 10 Other financial assets

NOK in millions	2023	2022
Capital contribution in Telenor Pension Fund ¹⁾	298	298
Derivatives financial instruments	547	960
Fair value hedging instruments	-	-
Other financial assets external ²⁾	735	3 239
Total other non-current financial assets	1 580	4 497
Receivables from Group companies	93	86
Other current financial assets external	489	113
Total other current financial assets	581	199

¹⁾ The amount capitalised in the statement of financial position is the cost price, which is considered an approximation of fair value. Telenor ASA holds the entire core capital in the Telenor Pension Fund. The capital contribution to Telenor Pension Fund is classified as equity investment.

²⁾ Other financial assets external in 2022 include NOK 2.6 billion related to the district court decision on 28 March 2022 in favor of Telenor ASA due to guarantee of Unitech Wireless' interest-bearing borrowings. See also Note 6 Income taxes.



NOTE 11 Financial instruments and risk management

Risk management

Telenor ASA's treasury function is responsible for financial risk management including liquidity management, interest rate risk, managing foreign exchange risk, credit risk and capital management. The activities in the treasury function are performed according to policies and procedures approved by the Board of Directors of Telenor ASA.

Telenor ASA issues debts in Norwegian and foreign capital market mainly through certificates and bonds. In addition, Telenor ASA has a sustainability-linked committed syndicated revolving credit facility (RCF) of EUR 1.8 billion with maturity in 2028 with options to extend it for 1+1 year. The RCF was undrawn as of 31 December 2023.

Financing of the Group's activities implies that Telenor ASA's income statement is exposed to changes in interest rates in the market. Fluctuation in interest rates also influences the fair value of assets and liabilities.

Telenor ASA holds debt in other currencies than Norwegian Kroner (NOK) and is exposed to currency risk related to changes in value of NOK compared to other currencies. Net investment hedge relationships are established to match currency fluctuation on debt instruments to currency fluctuations on foreign investments.

The Company is exposed to credit risk related to receivables and financial instruments with positive value against external parties and other companies in the Group.

Telenor ASA uses derivatives as forward currency contracts and interest rate swaps to manage the risk exposure related to changes in currency and interest rates. All derivative contracts are measured at fair value with changes through profit and loss. If the derivatives are designated for cash flow hedge accounting or as part of a hedge of net investment, the changes in fair value are recognised as other comprehensive income.

See also note 27 and note 31 in the consolidated financial statements where financial risks and accounting for financial instruments are explained in detail.

Fair value of financial instruments

Principles for estimating fair values

Based on the characteristics of the financial instruments that are recognised in the financial statements, the financial instruments are grouped into the classes and categories described below. The estimated fair values of the financial instruments are based on market prices and the valuation methodologies per class are described below.

Fair value hierarchy

Telenor ASA measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in measuring fair value:

Level 1: Quoted prices (unadjusted) in active markets for identical financial instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

Interest-bearing liabilities

Fair values of interest-bearing liabilities are based on quoted prices where available. Interest-bearing liabilities that are not traded in an active market have been calculated using yield curves, which incorporates estimates of the Telenor ASA credit spread. The credit curve has been extrapolated using indicative prices on debt issuance by Telenor ASA for different maturities. The yield curves have been interpolated from cash and swap curves observed in the market for different currencies and maturities.

Trade receivables and other current and non-current financial assets

For trade receivables and other current receivables, the nominal amount is assessed to be a reasonable approximation of fair value. The effect of not discounting is considered to be immaterial for this class of financial instruments.

Equity investments

Fair values for listed shares are based on quoted prices at the end of the reporting period. Fair value of unlisted shares is calculated using commonly used valuation techniques or measured at cost if the investment does not have a quoted market price in an active market and the fair value cannot be reliably measured.

Trade payables and other non-interest-bearing financial liabilities

For trade payables and other non-interest-bearing financial liabilities the nominal amount is assessed to be a reasonable approximation of fair value. The effect of not discounting is considered to be immaterial for this class of financial instruments.

Cash and cash equivalents

The fair value for this class of financial instruments is assessed to be equal to the nominal amount.

Derivatives

Fair values of currency swaps, foreign currency forward contracts and interest rate swaps are estimated based on calculating the net present value of future cash flows, using interest rate curves, exchange rates and currency spreads as of 31 December 2023 and 2022, respectively.



The tables below show the maturity profile of Telenor ASA's debt in nominal values:

2023

NOK in millions	Carrying amount	Total as of 31 December 2023	2024	2025-2027	2028-2032	2033->
Interest-bearing liabilities						
Bonds and Commercial Papers	81 620	83 858	11 253	24 057	31 749	16 799
Other interest-bearing liabilities	2 490	-	-	-	-	-
Total interest-bearing liabilities external	84 110	83 858	11 253	24 057	31 749	16 799
Other interest-bearing liabilities Group	5 969	5 969	5 969	-	-	-
Drawing on Group cash pools	14 912	14 912	-	-	-	14 912
Interest-bearing liabilities Telenor Group	20 881	20 881	5 969	-	-	14 912
Non-interest-bearing liabilities						
Trade and other payables external	733	733	733	-	-	-
Trade and other payables Group companies	94	94	94	-	-	-
Other current non-interest-bearing liabilities	211	211	211	-	-	-
Derivative financial instruments liabilities	1 785	1 785	887	301	522	75
Other non-current non-interest-bearing liabilities	60	60	-	60	-	-
Total non-interest-bearing liabilities	2 882	2 883	1 925	361	522	75
Total	107 873	107 622	19 147	24 418	32 270	31 786
Future interest payments	-	14 564	3 029	6 179	4 219	1 138
Total including future interest payments	107 873	122 186	22 176	30 596	36 489	32 924

2022

NOK in millions	Carrying amount	Total as of 31 December 2022	2023	2024-2026	2027-2031	2032->
Interest-bearing liabilities						
Bonds and Commercial Papers	66 586	70 038	5 263	27 934	26 315	10 526
Other interest-bearing liabilities	3 640	-	-	-	-	-
Total interest-bearing liabilities external	70 225	70 038	5 263	27 934	26 315	10 526
Other interest-bearing liabilities Group	15 170	15 170	15 170	-	-	-
Drawing on Group cash pools	4 777	4 777	-	-	-	4 777
Interest-bearing liabilities Telenor Group	19 947	19 947	15 170	-	-	4 777
Non-interest-bearing liabilities						
Trade and other payables external	539	539	539	-	-	-
Trade and other payables Group companies	112	112	112	-	-	-
Other current non-interest-bearing liabilities	237	237	237	-	-	-
Derivative financial instruments liabilities	1 803	1 803	382	1 236	185	-
Other non-current non-interest-bearing liabilities	73	73	-	73	-	-
Total non-interest-bearing liabilities	2 763	2 764	1 270	1 309	185	-
Total	92 935	92 749	21 703	29 243	26 501	15 303
Future interest payments	-	7 038	1 441	3 373	1 723	500
Total including future interest payments	92 935	99 787	23 144	32 616	28 224	15 804

For specification regarding external interest-bearing liabilities in Telenor ASA, see note 30 in the consolidated financial statements.

**Changes in external interest-bearing liabilities**

NOK in millions	2023	2022
As of 1 January	70 225	72 349
Change in cash flow from financing activities	9 183	(5 622)
Change in fair value adjustment of hedge items	1 234	(3 931)
Change in fair value of hedge instruments	(1 149)	3 520
Effects from changes in foreign exchange rates	4 343	3 418
Interest ¹⁾	38	33
Other changes	236	458
As of 31 December	84 110	70 225

¹⁾ Classified as cash flow from operating activities.

NOTE 12 Equity and dividends

Allocation of equity and dispositions over the last two years is shown in a separate table, see statement of changes in shareholders' equity.

Nominal value per share is NOK 6.

Dividends paid and proposed

	2023	2022
Dividends per share in NOK – paid	9.40	9.30
Dividends per share in NOK - proposed by the Board of Directors	9.50	9.40

Dividend of NOK 13.0 billion has been recognised to equity in 2023 (NOK 13.0 billion in 2022).

Board of Directors proposes an ordinary dividend of NOK 9.50 for 2023 (NOK 13.1 billion), to be declared by the Annual General Meeting (AGM) on 7 May 2024. The proposed dividend shall be split into two tranches of NOK 5.00 and NOK 4.50 per share, to be paid in May and October 2024, respectively.

On 8 February 2023, Telenor announced a share buyback programme for the year 2023-2024. The total programme comprises 31.1 million shares, of which 14.3 million shares were repurchased in the market during 2023. With this, the market part of the buyback programme was finalised. The remaining 16.8 million shares will be purchased from the Kingdom of Norway through the Ministry of Trade, Industry and Fisheries and hence the Ministry's ownership interest in Telenor of 53.97% will remain unchanged. The 31.1 million shares will be cancelled following approval by the Annual General Meeting in May 2024. The shares that have been repurchased in the open market have had an immediate cash effect whereas the pro rata shares from the Norwegian state will be paid simultaneously with the capital reduction in the middle of 2024.

NOTE 13 Current non-interest-bearing liabilities

NOK in millions	Category	2023	2022
Trade payables to Group companies	FLAC ¹⁾	94	112
Financial derivatives to Group companies	FVTPL	86	-
Current non-interest-bearing liabilities within the Group		179	112
Trade payables external	FLAC	733	539
Government taxes, tax deductions, holiday pay etc.	NF ²⁾	122	121
Income taxes payable	NF	11	20
Financial derivatives	FVTPL	801	382
Other current liabilities	FLAC	78	97
Current non-interest-bearing external liabilities		1 746	1 159

¹⁾ FLAC: Financial liabilities at amortised cost.

²⁾ NF: Non-financial assets and liabilities.



NOTE 14 Pension obligations

Telenor ASA is obliged to follow and complies with the Act on Mandatory Company Pensions. The company has a pension scheme according to the requirements set in the Act. Telenor ASA follows the same assumptions as the group, see note 21 to the consolidated financial statements.

Changes in the defined benefit obligation and fair value of plan assets

NOK in millions	2023			2022		
	Defined benefit obligation	Fair value plan assets	Net liability defined benefit	Defined benefit obligation	Fair value plan assets	Net liability defined benefit
As of 1 January	(1 414)	1 081	(332)	(1 572)	1 172	(399)
Service cost	(25)	-	(25)	(30)	-	(30)
Net interest	(41)	32	(9)	(29)	22	(7)
Sub-total included in Income Statement	(66)	32	(34)	(59)	22	(37)
Return on plan assets (excluding amounts included in net interest)	-	(21)	(21)	-	(96)	(96)
Actuarial changes arising from changes in financial assumptions	10	-	10	148	-	148
Experience adjustments	55	-	55	(18)	-	(18)
Sub-total included in Other Comprehensive Income	65	(21)	44	130	(96)	34
Effects of business combinations and disposals	(49)	56	7	21	(15)	6
Contributions by employer	-	38	38	-	40	40
Benefits paid	66	(40)	26	66	(42)	24
As of 31 December	(1 398)	1 146	(251)	(1 414)	1 081	(332)
Of which classified as:						
Pension obligations			(504)			(488)
Pension assets ¹⁾			252			156

¹⁾ Telenor does not have a right to use the net funds in the funded plans to settle the obligations under the unfunded plans.

Telenor ASA expects to contribute approximately NOK 59 million to the Telenor Pension Fund in 2024.

63 employees were covered by defined benefit plan of the Telenor Pension Fund. Telenor Pension Fund paid out pensions to 416 persons.

Components of net periodic benefit cost

NOK in millions	2023	2022
Service cost	(25)	(30)
Net interest cost	(9)	(7)
Contribution plan costs	(66)	(34)
Total pension costs recognised in the income statement	(100)	(71)
Of which reported as pension cost (note 2)	(58)	(65)
Of which reported as net interest cost (note 5)	(9)	(7)

NOTE 15 **Related parties**

Telenor ASA's transactions with its major shareholder, the Norwegian State represented by the Ministry of Trade, Industry and Fisheries, are discussed in note 36 to the consolidated financial statements.

Telenor ASA's other related parties consist mainly of subsidiaries of the group. Telenor ASA sells and buys services from these companies, see note 1 for further description, and provides loans and receives deposits from the companies. When permissible by local rules and regulations, subsidiaries owned 90% or more are part of Telenor ASA's cash pool systems and the internal bank in Group Treasury. Through the internal bank, the subsidiaries can get loans, place excess liquidity, and make currency exchanges.

In addition, Telenor ASA receives dividends that are recognised as financial income, see note 5. Group contributions and dividends recognised in 2023 and 2022 of NOK 18.9 billion and NOK 7.0 billion, respectively, are received from companies within Other units.

Lease liabilities to Telenor Real Estate AS of NOK 0.9 billion are included under financial transactions, Liabilities, see note 8.

Sales and purchases of services, receivables, and liabilities

NOK in millions	2023				2022			
	Sales	Purchases	Receivables	Liabilities	Sales	Purchases	Receivables	Liabilities
Subsidiaries								
Norway	210	14	32	12	263	42	32	35
Sweden	93	25	7	3	88	30	11	(1)
Denmark	46	22	3	3	40	12	2	4
Finland	62	11	-	4	57	9	1	2
dtac – Thailand	2	-	-	-	127	-	13	-
Digi – Malaysia	-	-	-	-	95	2	-	-
Grameenphone – Bangladesh	16	-	153	10	59	-	310	9
Pakistan	19	2	92	-	50	6	183	1
Myanmar	-	-	-	-	9	1	-	-
Other units	26	238	28	62	60	364	39	62
Total	474	312	315	94	848	466	591	112

Financial transactions, receivables, and liabilities

NOK in millions	2023				2022			
	Financial income	Financial expense	Receivables	Liabilities	Financial income	Financial expense	Receivables	Liabilities
Subsidiaries								
Norway	280	396	2 405	-	313	21	5 321	-
Sweden	75	40	1 843	-	29	11	1 134	-
Denmark	19	43	-	15	4	8	-	13
Finland	108	9	2 787	-	25	1	2 351	-
Other units	1 184	943	24 150	6 809	273	385	23 330	16 016
Total	1 665	1 431	31 186	6 824	643	426	32 136	16 029

NOTE 16 **Guarantees**

NOK in millions	2023	2022
Guarantee liabilities	672	656

Guarantee liabilities contain the unrecognised guarantee liabilities issued by Telenor ASA. The guarantee liabilities mainly consist of guarantees issued by Telenor ASA on behalf of subsidiaries.





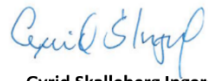





Purchased bank guarantees are not included in the table.



Responsibility Statement

We confirm that, to the best of our knowledge the consolidated financial statements for the year ended 31 December 2023 have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU and the additional requirements of the Norwegian Accounting Act, that the financial statements for the parent company for the year ended 31 December 2023 have been prepared in accordance with simplified IFRS Accounting Standards pursuant to the Norwegian Accounting Act § 3-9 and regulations regarding simplified application of IFRS Accounting Standards issued by the Ministry of Finance on 21 January 2008, that they give a true and fair view of the Company's and Group's assets, liabilities, financial position and results of operations, and that the Report of the Board of Directors gives a true and fair review of the development, performance and financial position of the Company and the Group and includes a description of the principle risks and uncertainties that they face.

Fornebu, 21 March 2024

 Jan Geldmacher Board member	 Jens Petter Olsen Chair	 Nina Bjørnstad Board member	 Pieter Knook Board member	 Gyrid Skalleberg Ingerø Vice Chair of the Board	 Astrid Simonsen Joos Board member	 Ottar Ertzeid Board member
 Espen Smistad Employee-elected Board member	 Irene Vold Employee-elected Board member	 Sune Jakobsson Employee-elected Board member	 Sigve Brekke President and CEO			



Statement from the Corporate Assembly of Telenor ASA

On 21 March 2024, the Corporate Assembly of Telenor ASA passed the following resolution:

The Corporate Assembly recommends that the Annual General Meeting approves the Board's proposal for Financial Statements for Telenor Group and Telenor ASA for 2023 as presented to the Corporate Assembly, by transfer of NOK 13 621 million to retained earnings and a dividend payment of NOK 9.50 per share to be paid out in two instalments of NOK 5.00 per share and NOK 4.50 per share in May and October 2024, respectively.



Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Telenor ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Telenor ASA (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the statement of financial position as at 31 December 2023 and the income statement, statement of comprehensive income, statement of cash flows and the statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the statement of financial position as at 31 December 2023, the income statement, statement of comprehensive income, statement of cash flows and the statement of changes in equity for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

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 and the Group 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 23 years from the incorporation of the Company on 21 July 2000 for the accounting year 2000.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2023. These matters were addressed in the context of our audit of the



financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Impairment assessment

Basis for the key audit matter

Telenor has performed impairment assessment for cash generating units (CGUs) with goodwill and other CGUs, including investments in associated companies, with impairment indicators. Uncertainty with respect to market and industry conditions, regulatory developments and when applicable, country risk, increases the risk that the CGUs may be impaired. The determination of recoverable amount, being the higher of fair value less costs of disposal and value in use (VIU), requires management's judgment.

Fair value less cost of disposal is based on observable market price or transaction price in an orderly transaction between market participants at the measurement date. VIU is estimated based on a discounted cash flow model and has been applied for CGUs where observable market prices are not available. Determining the VIU involves estimation of long-term future cash flows, which are dependent upon management's estimate of future economic and industry conditions and technological developments, and weighted average cost of capital (WACC). Operational performance and external factors have a significant impact on the estimated future cash flows.

Significant assumptions used in forecasting future cash flows are revenue growth, EBITDA growth, EBITDA margin, capital expenditure, long term growth rates and spectrum license costs. The explicit period in the cash flow projections is based on forecasts and business plans approved by management and the Board of Directors whereas cash flow projections beyond the explicit period are extrapolated.

Impairment assessment is a key audit matter because there is considerable estimation uncertainty, complexity and subjectivity particularly related to determination of VIU, and because the impairment assessments have material financial impact on the consolidated financial statements.

Our audit response

We obtained an understanding of, evaluated the design, and tested the operational effectiveness of controls over the Group's impairment assessment process. This included testing management's controls over their review of the significant assumptions used in determining the recoverable amount and evaluating the GCUs identified.

We performed audit procedures that included comparing fair value to observable market price or transaction price for recoverable amounts based on fair value less cost of disposal. For recoverable amounts based on VIU, we performed testing of the model for estimating VIU. Furthermore, we compared the recoverable amounts to carrying amount of the CGUs.

Our audit procedures also included assessment of the appropriateness of valuation methods, significant assumptions, including supporting and contradicting evidence and mathematical accuracy. We also assessed the adequacy of the related disclosures provided, particularly disclosures about key assumptions. For future cash flows, we performed audit procedures to test and assess significant assumptions used in the VIU models. This includes projected revenue and EBITDA growth, EBITDA margin and capital expenditure, management's models for forecasting spectrum license cost, normalized cash flows for the initial period in the terminal value and long-term growth rates. Further, we compared the cash flow projections used in the VIU models to the information approved by the Group's Board of Directors and evaluated the historical accuracy of management's business plans by performing look-back analysis. For WACC, we compared the applied market risk premium, long-term risk-free rate, beta and when applicable, inflation differentials (between US and local inflation) and country risk premium against external evidence. We also performed an analysis of the significant assumptions to evaluate the implied sensitivity of the valuation models. We involved valuation specialists to assist with assessment of key assumptions. We refer to note 18 and 35 to the consolidated financial statements for further details.



Regulatory disputes

Basis for the key audit matter

The Group is involved in regulatory disputes in several jurisdictions. These regulatory disputes are uncertain regarding timing, amounts and consequences of resolutions. The assessment of whether a liability should be recognized involves judgment from management.

Regulatory disputes is a key audit matter due to the amounts involved, potential consequences and the inherent difficulty in assessing the outcome.

Our audit response

We obtained and reviewed a summary of disputes and claims prepared by management and discussed the regulatory disputes. Furthermore, we made enquiries to external legal counsel, obtained external legal opinions and evaluated management's conclusion with respect to recognition, measurement and note disclosures by corroborating to the external legal opinions and other information obtained. We paid particular attention to regulatory disputes in Bangladesh, India and Pakistan.

We refer to note 23 to the consolidated financial statements for further details.

Revenue recognition

Basis for the key audit matter

The Group delivers goods and services which can be sold separately or combined in promotional packages to millions of customers in multiple geographical locations. Determining revenue to be recognized is complex because of the high volume of customer contracts and transactions, continuously changing business and price models (including tariff structures, options and incentives) and the complexity of the IT-systems. The application of the Group's accounting policies for revenue recognition requires management's judgement.

Revenue recognition is a key audit matter because of the transaction volume, the complexity of the IT-systems and the judgement involved in the application of accounting policies.

Our audit response

Our audit procedures included test of controls and substantive procedures, including:

- assessment of the appropriateness of accounting principles
- test of the design and operating effectiveness of controls over the revenue processes, including test of general IT controls and application controls over the main IT-systems and applications
- test of application of revenue recognition accounting policies including test of stand-alone selling prices and allocation of revenue to performance obligations for a sample of contracts
- assess management's judgement and estimates
- test of end-to-end reconciliation from revenue system to accounting system
- test of accruals for deferred and unbilled revenue
- assessment of completeness and accuracy of note disclosures on revenue

We refer to note 3 to the consolidated financial statements for further details.

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 and the President and CEO) 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, that includes the statement on corporate governance and the statement on corporate social responsibility, contain the information required by applicable 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 the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that



the information required by applicable legal requirements is not included in the board of directors' report, that includes the statement on corporate governance and the statement on corporate social responsibility, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, that includes the statement on corporate governance and the statement on corporate social responsibility, is consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, 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 and the Group'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 and the Group'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 and the Group 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.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Telenor ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name telenorasa-2023-12-31-no.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements. In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance



about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 21 March 2024
ERNST & YOUNG AS

Anders Gøbel
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been prepared for information purposes only.)

A photograph of a young man with short dark hair and a light beard, wearing a vibrant green patterned button-down shirt and dark jeans. He is sitting on a large, mossy tree stump in a tropical environment with palm trees and a body of water in the background. He is holding a black smartphone in his right hand and looking back over his shoulder towards the camera.

Definitions and Alternative Performance Measures

Telenor's consolidated financial information is prepared in accordance with International Financial Reporting standards (IFRS). In addition, management provides alternative performance measures that are regularly reviewed by management with the intent to enhance the understanding of Telenor's performance. The alternative performance measures presented may be determined or calculated differently by other companies.

The principles for measurement of the alternative performance measures are in accordance with the principles used both for segment reporting in note 2 in the consolidated financial statements and internal reporting to Group Management Team (GMT).



Definitions

Revenues – mobile operations

Mobile subscription and traffic

Consist of subscription and connection fees, revenues from voice (outgoing traffic) and non-voice traffic, outbound roaming, and other mobile service revenues. Subscription and traffic include only revenues from the company's own subscriptions.

Other mobile services

Consist of Internet of Things (IoT) and other mobile services

Mobile service revenues

Consist of subscription and traffic and other mobile revenues.

Wholesale & other mobile

Consists of inbound roaming, national roaming, revenues related to service providers and MVNOs (Mobile Virtual Network Operators), and interconnect. Interconnect consists of revenues from incoming traffic related to the company's own subscriptions but excludes revenues from incoming traffic related to service provider or MVNO subscriptions.

Non-mobile and devices

Consist of revenues from customer equipment and businesses that are not directly related to mobile operations.

Revenues – fixed operations

Telephony

Consist of subscription and connection fees, traffic (fixed to fixed, fixed to mobile, to other countries, value added services, other traffic) for PSTN/ISDN and Voice over Internet Protocol (VoIP).

Internet and TV

Consist of subscription, traffic charges and connection fees for xDSL, cable, fibre, and fixed wireless access, in addition to revenues from TV services. High-speed fixed internet includes fibre, cable, VDSL and fixed wireless access.

Fixed service revenues

Consist of telephony, internet and TV, and other fixed services such as leased lines and managed services.

Wholesale and broadcasting

Wholesale consists of sale to service providers of telephony (PSTN/ISDN), Bitstream, LLUB, national and international interconnect, transit traffic, leased lines, and other wholesale products. Broadcasting consists of revenues from terrestrial radio and TV transmission.

Other revenues

Infrastructure

Consist of revenues from passive infrastructure services and related revenues in Norway, Sweden and Finland.

Satellite

Consist of revenues from satellite services from the satellite position 1-degree west.

Connexion

Consist of revenues from subscription and services related to IoT, i.e., industrial mobile data applications directed at communication between machines.

Maritime

Consist of revenues from maritime communication services.

Linx

Consist of revenues from global connectivity and digital authentication services.

Service revenues

Consist of mobile and fixed service revenues, and revenues from Connexion and Maritime.

Subscriptions - mobile operations

Contract subscriptions are counted until the subscription is terminated or until there has been no revenues or outgoing/incoming traffic during the last three months. Prepaid subscriptions are counted as active if there has been outgoing or incoming traffic or if the SIM card has been reloaded during the last three months. Service provider and MVNO subscriptions are not included. Data only SIM cards are included, but SIM cards used for IoT applications and twin/multi SIM cards are excluded. Total subscriptions are voice SIM cards plus data only SIM cards used for mobile broadband.

Subscriptions - fixed operations

Internet subscriptions include broadband access over fibre, cable and fixed wireless access. TV subscriptions include TV services over fibre, cable, and fixed wireless access. Subscriptions are counted until the subscription is terminated.



Average revenue per subscription per month (ARPU)

For mobile operations, ARPU is calculated based on mobile subscription and traffic, and interconnect revenues from the company's own subscriptions, divided by the average number of subscriptions for the relevant period. For fixed operations, ARPU is calculated based on revenues from the company's own subscriptions, divided by the average number of subscriptions for the relevant period.

Alternative Performance Measures

Organic revenue growth

Organic revenue is defined as revenue adjusted for the effects of acquisition and disposal of operations and currency effects. We believe that the measure provides useful and necessary information to investors and other stakeholders for the following reasons:

- it provides additional information on underlying growth of the business without the effect of certain factors unrelated to its operating performance
- it is used for internal performance analysis, and
- it facilitates comparability of underlying growth with other companies (although the term "organic" is not a defined term under IFRS and may not, therefore, be comparable with similarly titled measures reported by other companies).

Reconciliation

NOK in million	2023	2022	Change whole year	Change YoY
Revenue growth	80 452	76 877	3 575	4.7%
Impact using exchange rates for 2023	-	1 048	(1 048)	
M&A	-	(26)	26	
Organic revenue	80 452	77 899	2 553	3.3%

NOK in million	2022	2021	Change whole year	Change YoY
Revenue growth	76 877	75 327	1 550	2.1%
Impact using exchange rates for 2022	-	(992)	992	
M&A	(25)	(271)	246	
Organic revenue	76 852	74 064	2 788	3.8%

Organic service revenue

Service revenues consist of mobile and fixed subscription and traffic, value added services that are not included in subscription and traffic revenues such as IoT, maritime communication and other end user related services in mobile and fixed operations. Subscription and traffic revenues consist of revenues from mobile subscription and traffic, fixed telephony, fixed Internet/TV and fixed data services.

Organic service revenues are defined as service revenues adjusted for the effects of acquisition and disposal of operations and currency effects. We believe that the measure provides useful and necessary information to investors and other stakeholders for the following reasons:

- it refers to the core revenue streams of the business making up more than 75% of total revenues and almost the entire gross profit for the Group;
- it provides additional information on underlying growth of the business within these core revenue streams, without the effect of certain factors unrelated to its operating performance,
- it is used for internal performance analysis, and
- it facilitates comparability of underlying growth with other companies (although the term "organic" is not defined under IFRS and may not, therefore, be comparable with similarly titled measures reported by other companies).

Reconciliation

NOK in million	2023	2022	Change whole year	Change YoY
Service revenues	62 540	59 760	2 780	4.7%
Impact using exchange rates for 2023	-	397	(397)	
M&A	-	-	-	
Organic service revenues	62 540	60 156	2 384	4.0%

NOK in million	2022	2021	Change whole year	Change YoY
Service revenues	59 760	58 894	865	1.5%
Impact using exchange rates for 2022	-	(770)	770	
M&A	-	-	-	
Organic service revenues	59 760	58 124	1 635	2.8%

NOK in million	2023	2022
Total revenues	80 452	76 877
Less: Handsets and other devices	(7 445)	(7 078)
Less: Lease revenues	(1 573)	(1 645)
Revenues from rendering of services	71 433	68 154
Less: Revenue from other operators	(6 223)	(6 231)
Less: Other revenues	(2 671)	(2 163)
Service revenues	62 540	59 760



Gross profit

Gross profit is a key financial parameter for Telenor and is the difference between total revenue and costs of materials and traffic charges. Gross profit reflects the profitability contribution of Telenor's revenue growth in its markets and therefore describes Telenor's potential for sustainable value creation, making gross profit a key financial parameter to follow. It is also used for internal performance analysis.

Reconciliation

NOK in millions	2023	2022	Change whole year	Change YoY
Total revenues	80 452	76 877	3 575	4.7%
Costs of materials and traffic charges	(19 056)	(17 819)	(1 238)	6.9%
Gross Profit	61 396	59 058	2 337	4.0%
Impact using exchange rates for 2023	-	160	(160)	
M&A	-	(29)	29	
Organic gross profit	61 396	59 189	2 206	3.7%

Reconciliation

NOK in millions	2022	2021	Change whole year	Change YoY
Total revenues	76 877	75 327	1 550	2.1%
Costs of materials and traffic charges	(17 819)	(16 839)	(979)	5.8%
Gross Profit	59 058	58 488	571	1.0%
Impact using exchange rates for 2022	-	(677)	677	
M&A	(28)	(298)	270	
Organic gross profit	59 030	57 512	1 518	2.6%

Operating expenses (opex)

Operating expenses (opex) is a key financial parameter for Telenor and consists of salaries and personnel cost and other operating expenses. Telenor's continuous effort to improve efficiency makes opex a key financial parameter to follow. It is also used for internal performance analysis.

Reconciliation

NOK in millions	2023	2022	Change whole year	Change YoY
Salaries and personnel cost	9 986	9 281	705	7.6%
Other operating expenses	16 846	15 948	898	5.6%
Operating expenses	26 832	25 229	1 603	6.4%
Impact using exchange rates for 2023	-	351	(351)	
M&A	-	(1)	1	
Organic operational expenses	26 832	25 579	1 253	4.9%

Reconciliation

NOK in millions	2022	2021	Change whole year	Change YoY
Salaries and personnel cost	9 281	9 291	(10)	-0.1%
Other operating expenses	15 948	15 071	877	5.8%
Operating expenses	25 229	24 361	867	3.6%
Impact using exchange rates for 2022	-	(272)	272	
M&A	(1)	(15)	13	
Organic operational expenses	25 227	24 075	1 153	4.8%

EBITDA boi and EBITDA margin

Earnings before interest, tax, depreciation, and amortisation (EBITDA) is a key financial parameter for Telenor. EBITDA boi (before other items) is measured as EBITDA before other income and other expenses. Other income and other expenses include items such as gains and losses on disposals of fixed assets and operations, workforce reductions, onerous contracts, and one-time pension costs, see note 8. EBITDA margin is defined as EBITDA before other items divided by total revenues. These measures are useful to investors and other stakeholders in evaluating operating profitability on a more variable cost basis as they exclude depreciation and amortisation expenses related primarily to capital expenses and acquisitions that occurred in the past and non-recurring items, as well as evaluating operating performance in relation to Telenor's competitors. EBITDA margin enables comparison between segments and other operators.

Reconciliation

NOK in millions	2023	2022
EBITDA	33 524	34 758
Other income	(85)	(1 945)
Other expenses	1 125	1 016
EBITDA before other income and expenses	34 564	33 830

EBITDA margin

NOK in millions	2023	2022
Total revenues	80 452	76 877
EBITDA before other items	34 564	33 830
EBITDA margin	43.0%	44.0%



Organic EBITDA growth

Organic EBITDA growth is defined as growth in EBITDA (before other items) adjusted for the effects of acquisition and disposal of operations and currency effects. We believe that the measure provides useful and necessary information to investors, and other stakeholders for the following reasons:

- it provides additional information on underlying growth of the business without the effect of certain factors unrelated to its operating performance, and
- it is used for internal performance analysis.

Reconciliation

NOK in millions	2023	2022	Change whole year	Change YoY
EBITDA growth	34 564	33 830	734	2.2%
Impact using exchange rates for 2023	-	(191)	191	
M&A	-	(28)	28	
Organic EBITDA growth	34 564	33 610	953	2.8%

NOK in millions	2022	2021	Change whole year	Change YoY
EBITDA growth	33 830	34 127	(297)	-0.9%
Impact using exchange rates for 2022	-	(406)	406	
M&A	(27)	(284)	257	
Organic EBITDA growth	33 803	33 437	366	1.1%

Capital expenses

Capital expenses (capex) are derived from the balance sheet and consist of investments in property, plant and equipment (PPE), intangible assets and right-of-use-assets, including licences and spectrum. Capex excludes business combinations and asset retirement obligations. Capex is a measure of investments made in the operations in the relevant period and is useful to investors and other stakeholders in evaluating the capital intensity of the operations. Capex excl. lease and capex/revenues is deemed to better gauge the actual capital expenses incurred in the period than the payment for purchases of PPE, intangible assets and right-of-use assets in the cash flow statement.

Capex excl. lease is relevant to users to measure the level of underlying investments. Historically, leases have varied significantly between reporting periods.

Reconciliation

NOK in millions	2023	2022
Purchases of PPE, intangible assets and prepayments for right-of-use assets	14 728	19 298
Working capital movement of PPE, intangible assets and prepayments of right-of -use assets	(1 198)	(676)
Deferred licence obligations	4 827	9 113
Less:		
Discontinued operations	(816)	(5 906)
Total Capex incl. leases	17 542	21 829
Licence and spectrum acquisition	(678)	(4 592)
Other leases	(4 133)	(3 677)
Capex excl. lease	12 731	13 560
Total revenues	80 452	76 877
Capex excl. lease/Revenues (%)	15.8%	17.6%
Total Capex/Revenues (%)	21.8%	28.4%

Investments

Investments consist of capex and investments in businesses. Investments in businesses comprise purchase of shares in both controlled and non-controlled entities from a third party, including acquisitions of businesses not organised as separate companies as well as capital injections into non-controlled entities. Investments (or total investments) is deemed to better gauge the actual investments for the period than in the purchases of property, plant and equipment (PPE) and intangible assets line items in the cash flow statement.

Reconciliation

NOK in millions	2023	2022
Capex	17 542	21 829
Investments in businesses	5 776	965
Investments	23 318	22 794

Net interest-bearing debt excluding licence obligations (Net debt)

Net debt consists of both current and non-current interest-bearing liabilities, current and non-current lease liabilities less related current and non-current hedging instruments, financial instruments, such as debt instruments and derivatives, and cash and cash equivalents. Net debt is adjusted for licence obligations.

Net debt is a measure of the Group's net indebtedness that provides an indicator of the overall balance sheet strength. It is also a single measure that can be used to assess both the Group's cash position and its indebtedness. The use of the term 'net debt' does not necessarily mean that the cash included in the net debt calculation is available to settle the liabilities included in this measure.



Net debt is considered to be an alternative performance measure as it is not defined in IFRS. The most directly comparable IFRS measure is the aggregate interest-bearing liabilities (both current and non-current) and cash and cash equivalents. A reconciliation from these to net debt is provided below.

Reconciliation

NOK in millions	2023	2022
Non-current interest-bearing liabilities	75 686	82 724
Non-current lease liabilities	13 201	24 417
Current interest-bearing liabilities	11 789	9 169
Current lease liabilities	4 107	6 674
Less:		
Cash and cash equivalents	(19 556)	(9 929)
Hedging instruments	-	(27)
Financial instruments	(269)	(277)
Adjustments:		
Non-current licence obligations	(3 922)	(11 944)
Current licence obligations	(1 253)	(2 931)
Net interest-bearing debt excluding licence obligations	79 781	97 875

Leverage

Telenor measures leverage as the ratio of Net debt to EBITDA before other items and dividends from associated companies and joint ventures. The leverage definition is aligned with our alternative performance measure organic EBITDA before other items growth for controlled entities, and cash flow contribution from associates and joint ventures. Further, the usage of EBITDA before other items for controlled entities prevents temporary spikes in leverage due to other income and expenses and thus ensures transparency and a better understanding of Telenor's ability to cover debt with profits from its regular operations.

Telenor aims to maintain a solid balance sheet through keeping leverage ratio in the range of 1.8x to 2.3x, in order to maintain financial flexibility and ensure cost efficient funding. The measure provides useful information about the strength of our financial position and is regularly reported internally.

Leverage	2023	2022
A - Net Debt	79 781	97 875
B - EBITDA before other items	34 564	42 374
C - Dividends from associates and joint ventures	1 794	1 376
D - Leverage ratio D=A/(B+C)	2.2	2.2

Dividend from associated companies and joint ventures for the full year 2022 includes dividends from Digi as a subsidiary on a proforma basis of NOK 0.8 billion before merger with Celcom. Dividends from associated companies and joint ventures for the full year 2023 includes dividend from dtac as a subsidiary on proforma basis of NOK 0.6 billion. EBITDA before other items for the full year 2022 includes EBITDA before other items contribution from dtac.

Free cash flow

Telenor makes use of Free cash flow and Free cash flow before M&A activities as important performance measures when presenting and discussing the reported results. We believe it is both useful and necessary to communicate Free cash flow and Free cash flow before M&A activities for the following reasons:

- Free cash flow and Free cash flow before M&A activities allow management and investors to evaluate Telenor's liquidity and cash generated by the operations.
- Free cash flow excludes items that are deemed discretionary, such as financing activities. In addition, Free cash flow before M&A activities excludes cash flows relating to acquisitions and disposals of businesses.
- Free cash flow facilitates comparability with other companies, although Telenor's measure of Free cash flow may not be directly comparable to similar titled measures used by other companies.
- These measures are used for planning, reporting and incentive purposes.

A reconciliation of net cash flow from operating activities, net cash flow from investing activities and certain line items of financing activities to Free cash flow and Free cash flow before M&A activities is provided in the table below. Payments for acquisitions and proceeds from disposal of businesses include acquisitions and disposals where Telenor acquire or lose control, acquisition or disposal of investments in associated companies and joint ventures that are classified in investing activities as well as transactions with non-controlling interests that does not result in change of control for Telenor that are classified in financing activities.

Reconciliation

NOK in millions	2023	2022
Net cash flows from operating activities	29 120	39 222
Net cash flows from investing activities	(18 297)	(23 145)
Payments of lease liabilities related to spectrum licences	(1 886)	(2 484)
Payments of lease liabilities related to other lease contracts	(3 583)	(5 589)
Repayments of borrowings - supplier finance arrangements	(79)	21
Dividends paid to and purchase of shares from non-controlling interest	(1 015)	(2 802)
Sale of shares to non-controlling interest	10 743	
Adjustment for payment to Axiata by CelcomDigi after the merger		5 381



Free cash flow	15 003	10 604
M&A activities	5 514	738
Free cash flow before M&A activities	9 489	9 865

Net cash flows from investing activities for the full year 2022 include the negative deconsolidation effect of the cash balances in Digi on 30 November 2022 before the merger. The closing cash balance in Digi was NOK 6.4 billion which include NOK 5.4 billion financing obtained externally by Digi to make payment to Celcom's owner, Axiata, right after the merger. Since free cash flow has, by definition, one sided negative effect through investing activities of NOK 5.4 billion, an adjustment has been made to exclude the negative effect from free cash flow. Total cash flow including financing activities is not affected by this adjustment.

Return On Capital Employed (ROCE)

When evaluating different financial metrics before making an investment, the return on capital employed is also considered. Return on capital employed is calculated by dividing the return of last twelve months by the average balance of capital employed for the same twelve-month period. Return is defined as operating profit including share of profits from associated companies and joint ventures, less income taxes. Capital employed is defined as the sum of total equity and net interest-bearing debt including licence obligations and net pension obligations. The average of capital employed during the period is calculated as average of opening and closing balance for the given twelve-month period.

The calculated return on capital employed is based on the actual generated return, and hence it may be impacted by unusual returns or losses at a particular point of time.

Reconciliation

NOK in millions	2023	2022
Operating profit	16 964	15 143
Share of net income (loss) including gains/losses from associated companies	(8 466)	(301)
Income taxes	(4 332)	3 009
A - Earnings	4 166	17 851
B - Telenor's share of earnings from CelcomDigi	647	-
B - Telenor's share of earnings from True Corp	(8 321)	-
C - Adjusted earnings	11 840	17 851
Total equity as of beginning of the period	64 375	31 500
Net interest bearing debt including licence obligations as of beginning of the	112 750	115 543
Net pension obligations as of beginning of the period	1 919	2 429
D - Total capital employed as of beginning of the period	179 045	149 472
Total equity as of end of the period	70 434	64 375
Net interest-bearing debt including licence obligations as of end of the period	84 956	112 750
Net pension obligations as of end of the period	1 821	1 919
E - Total capital employed as of end of the period	157 212	179 045
F - Average capital employed before adjustments (F=(D+E)/2)	168 128	164 258
G - Adjustment for Telenor Myanmar	-	(117)
G - Adjustment for Digi's capital employed	-	6 026
G - Adjustment for dtac's capital employed	19 003	37 823
G - Adjustment for CelcomDigi	34 099	17 218
G - Adjustment for True Corporation	6 766	-
H - Average capital employed (H=F-G)	108 260	103 308
I - Return on capital employed (I=C/H)	11%	17%



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