



Q1 – 2022

Interim report
January – March 2022

Contents

Highlights and Group performance	1
Telenor's operations	5
Group performance	12
Interim condensed financial information	14
Notes to the interim consolidated financial statements	19
Definitions and Alternative Performance Measures	24
Additional information	31

Robust cash flow and financial position

In the first quarter, the mobile business performed well while the overall quarter was impacted by our strategic journey of investing in modern networks and structural transactions in Asia. The growth was held back by the Norwegian fixed line business and intensified competition in Thailand. Service revenues were stable, and EBITDA was negatively affected by the copper decommissioning in Norway which is in its final year. In addition, higher energy prices, and activities related to the planned mergers in Thailand and Malaysia impacted EBITDA negatively. This resulted in an organic EBITDA development of -2%. Free cash flow remained robust at NOK 3.6 billion in the quarter, further strengthening our financial position.

I am especially pleased with the growth in mobile service revenues and ARPU across the Nordic operations. This confirms that providing quality networks and services in the world's most advanced telecom markets create growth opportunities. In Asia, we see solid growth in Bangladesh and Pakistan and the M&A transactions in Thailand and Malaysia are progressing through the necessary steps. The sale of Telenor Myanmar was closed during the final days of the quarter, concluding a challenging process in a very difficult situation.

Telenor will host a capital markets day on 20 September 2022.

– Sigve Brekke, President and CEO



Key figures Telenor Group

NOK in million	First quarter		Year
	2022	2021	2021
Revenues	27 009	27 518	110 241
Organic revenue growth (%)	0.5	(0.6)	1.2
Service revenues	20 879	21 236	84 828
Organic service revenue growth (%)	0.3	(3.2)	(0.1)
EBITDA before other income and other expenses	11 660	12 209	49 162
Organic EBITDA growth (%)	(2.5)	(0.8)	(0.2)
EBITDA before other income and other expenses/Revenues (%)	43.2	44.4	44.6
Net income attributable to equity holders of Telenor ASA	6 570	(3 889)	1 528
Capex excl. licences and spectrum	4 183	3 685	17 942
Total Capex	5 268	4 224	22 345
Free cash flow before M&A	2 434	2 992	11 015
Total Free cash flow	3 589	3 834	12 668
Mobile subscriptions - Change in quarter/Total (mill.)	0.8	3.0	172.2

First quarter summary¹⁾

- The strengthening of Norwegian Krone against all relevant currencies during the quarter had a negative impact of NOK 0.6 billion on total revenues, NOK 0.4 billion on service revenues and NOK 0.2 billion on EBITDA before other items.
- Total reported revenues were NOK 27.0 billion which is a decrease of NOK 0.5 billion as a result of the negative currency movements. Service revenues remained stable on an organic basis.
- Reported opex increased by NOK 0.2 billion. Organic opex increased by NOK 0.4 billion, or 5%.
- Reported EBITDA before other items was NOK 11.7 billion which is a decrease of 4.5%. Organic EBITDA decreased by 2.49%.
- Capex excluding licences and spectrum fees was NOK 4.2 billion, yielding a capex to sales ratio of 15%.
- Net income attributable to equity holders of Telenor ASA was NOK 6.6 billion for the quarter.
- Total free cash flow was NOK 3.6 billion for the quarter.
- During the quarter, the Group completed the sale of Telenor Myanmar and fixed non-core assets in Sweden.
- Leverage decreased to 1.9x from 2.1x at the end of the previous quarter.
- From this quarter, the financial and operational information of Telenor's Nordic tower businesses is included in the report as additional information, see page 31.

¹⁾ Please refer to page 24 for Definitions and descriptions of Alternative Performance Measures.

Environmental, Social and Governance (ESG)

Responsible business conduct is an integrated part of Telenor Group's strategy and performance management, and a key foundation for sustainable value creation. We focus on responsible business practices across all our markets and work to continually improve our approach. Guided by international standards and our operational experience, we work systematically to address risks and to maximise the positive impact of our business. For more information about ESG, please see additional information on page 32.

Macroeconomic development – currency exchange rates

The Norwegian Krone has strengthened against all relevant currencies during the first quarter of 2022 compared to the end of the previous quarter. The global increase in energy prices is considered as one of the reasons for the strengthening of the Norwegian Krone. Compared to the same period last year, the Norwegian Krone strengthened against most of the relevant currencies that impacts the reported figures negatively. The decrease due to currency effects in total revenues by NOK 0.6 billion, service revenues by NOK 0.4 billion and EBITDA before other items by NOK 0.2 billion was mainly due to appreciation of the Norwegian Krone against the Swedish Krone, the Thai Bhat and the Pakistani Rupee by 7%, 5% and 7%, respectively.

Outlook for 2022

For the full year 2022 and excluding Digi in Malaysia, Telenor expects low single digit growth in organic service revenues, organic EBITDA around 2021 level or slightly higher and a capex to sales ratio of 16-17%.

We expect EBITDA growth to lag the revenue development with a few quarters.

Financial performance in the first quarter was negatively affected by transformation of fixed line in Norway, high energy prices and tough competition in Thailand, as well as high project costs. These factors are expected to continue into the next quarter.

Actions taken are expected to mitigate negative elements, particularly in the second half of the year. We expect a gradual recovery of the Thai market but acknowledge the increased global uncertainty.

¹⁾ Please refer to page 24 for Definitions and descriptions of Alternative Performance Measures.

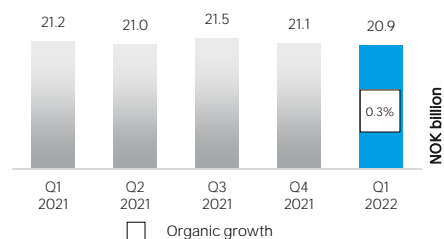
Group performance in the first quarter 2022¹⁾

SERVICE REVENUES

Reported service revenues decreased by 2%, primarily due to negative currency effects. On an organic basis, service revenues increased by 0.3%.

In Norway, the solid growth in mobile ARPU continued. This is driven by increasing demand for value-added services and speed-based products as well as higher roaming revenues, offsetting the impact of a lower subscriber base. Revenues from fibre and fixed wireless access products continued to grow, partly offsetting the decline in fixed legacy revenues. In Sweden, the growth was mainly driven by higher subscriber base. In Finland, the positive momentum continued with growth from both mobile and fixed segments.

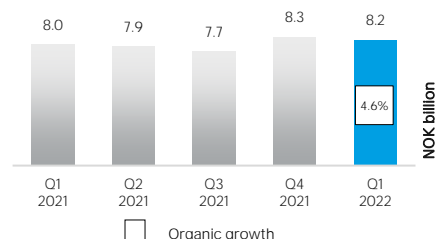
In Asia, larger subscriber base and increasing data usage contributed to the service revenue growth in Bangladesh and Pakistan. In Thailand, service revenues declined from the ongoing pressure on ARPU reflecting aggressive competition and a slow economic recovery. In Malaysia, service revenues declined due to negative development in the prepaid segment.



OPERATING EXPENSES (OPEX)

Reported opex increased by NOK 0.2 billion in the quarter. Organic opex increased by NOK 0.4 billion, or 5%.

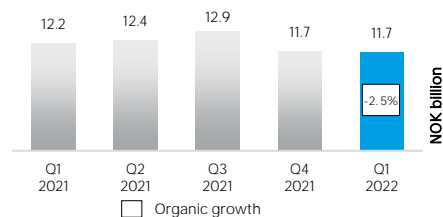
The increase in opex was mainly driven by higher sales and marketing activity contributing to a higher subscriber base especially in Bangladesh, Sweden and Thailand. Further, higher corporate activities related to ongoing mergers in Malaysia and Thailand, and other strategic projects as well as increased energy prices. These effects were partly offset by reduced personnel costs, as modernisation processes have enabled a reduction in the number of employees.



EBITDA BEFORE OTHER INCOME AND OTHER EXPENSES (EBITDA)

Reported EBITDA decreased by NOK 0.5 billion. Organic EBITDA decreased by 2.49%.

Mobile service revenue growth contributed positively to the overall EBITDA development. The negative organic EBITDA development of 2.49% is mainly explained by the reduced contribution from copper revenues in Norway, as the copper network is now in the final year of decommissioning. In addition, EBITDA was impacted by increased energy prices affecting both gross profit and opex, as well as higher cost associated with corporate activities. In total, these items are estimated to have had a negative effect on the EBITDA growth of around 4 percentage points.

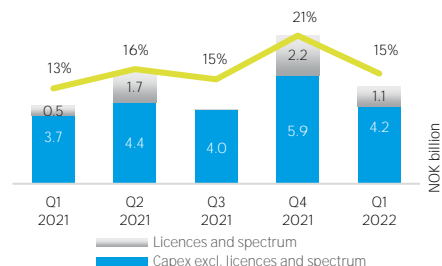


¹⁾ The comments are related to Telenor's development in the first quarter of 2022 compared to the first quarter of 2021 and are based on current Group structure unless otherwise stated. Please refer to page 24 for Definitions and descriptions of Alternative Performance Measures.

CAPITAL EXPENSES (CAPEX)

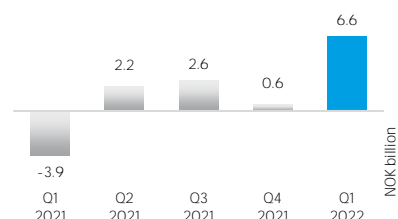
Capex excluding licences and spectrum was NOK 4.2 billion, which corresponds to a capex to sales ratio of 15%. Capex is in line with the plan for the year, driven by the 5G roll-out in the Nordics, fibre investments in Norway and network investments in Thailand.

Licences and spectrum fees of NOK 1.1 billion include NOK 0.9 billion and NOK 0.2 billion related to 5G licenses in Norway and Denmark, respectively.



NET INCOME

Net income to equity holders of Telenor ASA in the first quarter was NOK 6.6 billion, which is an increase of NOK 10.5 billion. The increase was primarily driven by the impairment of Telenor Myanmar of NOK 6.5 billion last year, gain of NOK 1.7 billion on divestment of fixed non-core assets in Sweden this year and reversal of NOK 2.5 billion tax expense related to India guarantee this year.

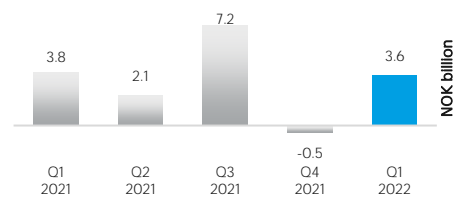


FREE CASH FLOW

The Group ended the first quarter with a free cash flow of NOK 3.6 billion.

Free cash flow before M&A was NOK 2.4 billion, which is a decrease of NOK 0.6 billion. Free cash flow before M&A activities includes NOK 0.4 billion related to Telenor Myanmar until the sale.

Cash flow from M&A activities was NOK 1.2 billion and it includes sale proceeds of NOK 2.9 billion related to the disposal of fixed non-core assets in Sweden, partly offset by negative effect of NOK 1.7 billion related to the sale of Myanmar. Cash flow from M&A activities of NOK 0.8 billion during the same period last year included receipt of installment of NOK 1.0 billion related to the sale of operations in Central and Eastern Europe in 2018.

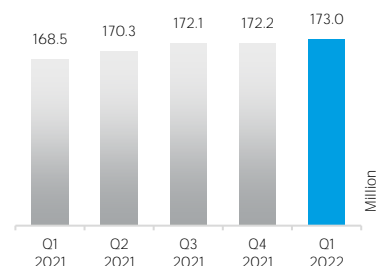


MOBILE SUBSCRIPTIONS

The Group's mobile subscription base increased by 0.8 million in the first quarter. At the end of the quarter, the total mobile subscription base stood at 173 million.

In Asia, Grameenphone in Bangladesh continued to grow their subscriber base, adding 0.5 million subscribers this quarter, whereas dtac in Thailand and Telenor Pakistan grew their subscriber base by 0.3 million and 0.1 million, respectively. Digi in Malaysia ended the quarter with a decrease of 0.1 million.

In the Nordics, our operations in Sweden and Denmark increased their subscriber base, with total 37 000 and 8 000 new mobile subscriptions, respectively. Norway and DNA in Finland both ended the quarter with a decline of 12 000.



¹⁾ The comments are related to Telenor's development in the first quarter of 2022 compared to the first quarter of 2021 and are based on current Group structure unless otherwise stated. Please refer to page 24 for Definitions and descriptions of Alternative Performance Measures.

Telenor's operations

The comments and financial figures for Telenor's segments are related to the development in local currency in the first quarter of 2022 compared to the first quarter of 2021, unless otherwise stated. Please refer to Definitions on page 24 for descriptions of alternative performance measures. All comments on EBITDA are made on development in EBITDA before other income and other expenses. Please refer to page 12 for 'Specification of other income and other expenses. Additional information is available at: www.telenor.com/ir

Norway

In Norway, the modernisation journey continued. 5G roll-out has gained significant pace and more than 43% of the population now has 5G coverage. The decommissioning of the copper network is running according to plan, aiming to migrate all Telenor own subscribers to new solutions by the end of 2022.

Mobile ARPU grew by 3% from continued strong demand for value-added services and speed-based products, as well as higher roaming activity as customers now are travelling more abroad. Mobile postpaid subscriptions increased by 3 000 when excluding churn of 12 000 from loss of a public contract. Mobile service revenues remained stable.

The fixed line business is in a transformational phase with the last year of copper decommissioning for Telenor's own customers. The growth within fixed non-legacy services continued, with an increase of 2 000 in fibre subscriptions and 11 000 in fixed wireless access subscriptions. Excluding the copper revenue decline, revenues from fixed non-legacy services increased by 5%, partly compensating for the decline in copper revenues which is now at its peak.

Total service revenues decreased by 2%. Excluding fixed legacy revenues, service revenues increased by 2%. Gross profit decreased by 3% from lower revenues and higher energy costs.

Opex remained stable as reduced personnel, consultancy and fault correction costs were offset by higher sales and marketing expenses. EBITDA decreased by 4%, or by 6% adjusted for a reclassification of part of energy cost to internal lease assets. The decrease in EBIT was due to the lower EBITDA and higher depreciations.

Capex increased by 27% mainly due to 5G and the mobile network modernisation.

NOK in million	First quarter		Year
	2022	2021	2021
Revenues mobile operation			
Mobile subscription and traffic	2 769	2 758	11 210
Other mobile services	115	118	463
Total mobile service revenues	2 884	2 876	11 673
Wholesale and other mobile	309	260	1 161
Non-mobile	610	600	2 518
Total revenues mobile operation	3 803	3 736	15 353
Telephony	99	163	572
Internet and TV	1 705	1 748	7 036
Other fixed services	137	145	588
Total fixed service revenues	1 941	2 056	8 195
Hardware	42	63	243
Wholesale and broadcasting	362	424	1 571
Total revenues fixed operation	2 345	2 543	10 009
Total service revenues	4 825	4 932	19 869
Total revenues	6 148	6 279	25 362
Gross profit	4 814	4 951	19 910
Operating expenses	(1 812)	(1 821)	(7 152)
EBITDA before other items	3 002	3 130	12 758
Operating profit	1 230	1 445	4 987
EBITDA before other items/Total revenues (%)	49	50	50
Capex excl. Licences and Spectrum	1 395	1 096	5 515
Statistics (monthly in NOK):			
Mobile ARPU	350	340	350
Fixed Internet ARPU	495	437	447
TV ARPU	346	336	349
No. of subscriptions - Change in quarter/Total			
Mobile	(12)	(28)	2 746
Fixed Internet*	10	(10)	743
TV	(10)	(5)	562

*23 000 fixed internet subscriptions not previously included have been added from 2022

Sweden

On 1 February, Telenor Sweden completed the sale of its non-core fixed assets, Open Universe and SDU fibre, resulting in sale proceeds of NOK 2.9 billion. The disposal is a part of Telenor Sweden's strategy to simplify and focus resources on the core business.

The strengthening of Norwegian Krone against Swedish Krone by 7% has impacted reported figures for 2022 negatively. On an organic basis, Telenor Sweden continued to demonstrate positive development in service revenues and profitability.

During the quarter, the mobile subscriber base increased by 37 000 driven by positive development within both consumer and business segments. Organic service revenues grew by 2%, attributable to larger mobile subscriber base. Mobile ARPU remained stable.

Opex increased by 5%, mainly driven by the increase in sales and marketing costs. The organic EBITDA increased by 4% as the increased organic gross profit more than offset the opex increase. Reported EBITDA was impacted by the sale of fixed non-core assets and negative currency development.

The capex in the quarter was mainly related to network modernisation including 5G.

NOK in million	First quarter		Year
	2022	2021	2021
Revenues mobile operation			
Mobile subscription and traffic	1 306	1 362	5 480
Other mobile services	57	49	233
Total mobile service revenues	1 362	1 411	5 713
Wholesale and other mobile	157	155	657
Non-mobile	533	531	2 106
Total revenues mobile operation	2 052	2 096	8 476
Telephony	26	34	125
Internet and TV	704	754	2 992
Other fixed services	31	39	158
Total fixed service revenues	761	828	3 276
Wholesale and broadcasting	35	87	355
Total revenues fixed operation	795	915	3 631
Total service revenues	2 123	2 238	8 989
Total revenues	2 848	3 011	12 107
Gross profit	1 798	1 901	7 786
Operating expenses	(823)	(838)	(3 352)
EBITDA before other items	976	1 063	4 434
Operating profit	2 056	427	1 777
EBITDA before other items/Total revenues (%)	34.3	35.3	36.6
Capex excl. Licences and Spectrum	315	265	1 504
Statistics (monthly in NOK):			
Mobile ARPU	165	177	176
Fixed Internet ARPU	219	236	233
TV ARPU	129	143	141
No. of subscriptions - Change in quarter/Total (in thousands):			
Mobile	37	39	2 818
Fixed Internet	2	-	698
TV*	15	1	470
Exchange rate (NOK/SEK, average for the period)	0.9469	1.0135	1.0013

*14 000 OTT subscriptions not previously included, have been added from 2022

Denmark

Telenor Denmark started 2022 with service revenue growth, continuing the trends seen during 2021. Total service revenues increased by 4%, adjusted for a reclassification, the underlying growth was 2% driven mainly by growth in value-added services and fixed broadband.

Within fixed broadband 3 000 new households were connected during the first quarter. Revenues from fibre and coax based broadband services more than offset the steady decline in legacy services.

EBITDA remained stable as higher revenues and improved handset margins were offset by the impact of higher energy prices and higher opex.

The network modernisation programme continued through the quarter to prepare for 5G services and higher transport capacities. Other investments this quarter were related to customer facing areas.

NOK in million	First quarter		Year
	2022	2021	2021
Revenues mobile operation			
Mobile subscription and traffic	701	729	2 903
Other mobile services	56	22	83
Total mobile service revenues	757	751	2 985
Wholesale and other mobile	142	118	608
Non-mobile	292	309	1 251
Total revenues mobile operation	1 190	1 178	4 844
Telephony	21	30	97
Internet and TV	103	98	405
Total fixed service revenues	125	129	502
Total revenues fixed operation	125	129	502
Total service revenues	881	880	3 487
Total revenues	1 315	1 307	5 346
Gross profit	768	790	3 131
Operating expenses	(418)	(426)	(1 717)
EBITDA before other items	350	364	1 413
Operating profit	122	100	434
EBITDA before other items/Total revenues (%)	26.6	27.8	26.4
Capex excl. Licences and Spectrum	166	84	683
Statistics (monthly in NOK):			
Mobile ARPU	158	158	159
Fixed Internet ARPU	277	274	277
No. of subscriptions - Change in quarter/Total (in thousands):			
Mobile	8	5	1 646
Fixed Internet	3	4	114
Exchange rate (NOK/DKK, average for the period)	1.3331	1.3788	1.3661

DNA - Finland

Service revenues continued to develop positively with a growth of 2% due to both higher mobile ARPU and a larger mobile subscription base compared to the same quarter last year. Mobile ARPU improved by 1% aided by larger share of high-end subscriptions.

EBITDA decreased by 1%, as costs related to network modernisation as well as increased group charges more than offset the higher revenues.

The 5G roll-out and network modernisation continued at a high pace, bringing the population coverage to 66%.

NOK in million	First quarter		Year
	2022	2021	2021
Revenues mobile operation			
Mobile subscription and traffic	1 287	1 302	5 207
Other mobile services	28	25	106
Total mobile service revenues	1 315	1 327	5 313
Wholesale and other mobile	108	117	473
Non-mobile	429	435	1 742
Total revenues mobile operation	1 852	1 880	7 527
Telephony	36	43	166
Internet and TV	392	392	1 596
Other fixed services	58	69	268
Total fixed service revenues	486	505	2 030
Wholesale and broadcasting	39	39	155
Total revenues fixed operation	525	544	2 185
Total service revenues	1 800	1 832	7 342
Total revenues	2 376	2 423	9 712
Gross profit	1 788	1 833	7 241
Operating expenses	(877)	(879)	(3 596)
EBITDA before other items	910	954	3 645
Operating profit	262	291	993
EBITDA before other items/Total revenues (%)	38.3	39.4	37.5
Capex excl. Licences and Spectrum	220	216	1 625
Statistics (monthly in NOK):			
Mobile ARPU	170	174	173
Fixed Internet ARPU	163	164	166
TV ARPU	74	72	76
No. of subscriptions - Change in quarter/Total (in thousands):			
Mobile	(12)	(11)	2 699
Fixed Internet	12	7	603
TV	(12)	(2)	262
Exchange rate (NOK/EUR, average for the period)	9.9191	10.2545	10.1598

dtac - Thailand

In Thailand, dtac's mobile subscription base increased by 305 000 this quarter, continuing the positive trend from previous quarters. However, due to intensified competition and slow economic recovery, ARPU remained under pressure and service revenues declined by 3%.

Opex decreased by 3% mainly due to lower lease and personnel costs, partly offsetting increased sales and marketing, energy cost and cost related to amalgamation of dtac and True. EBITDA decreased by 4% as the revenue decline could not be fully offset by lower opex. Excluding the cost related to amalgamation, EBITDA decreased by 2%.

Capex increased by 22% compared to last year. At the end of the quarter, the 700 MHz roll-out includes 15 600 sites, resulting in capacity and coverage uplift.

In November 2021, Telenor and CP Group agreed to explore the creation of a new company by amalgamating dtac and True in Thailand. The current operations of dtac and True will continue to run their businesses independently until the transaction is completed.

NOK in million	First quarter		Year
	2022	2021	2021
Revenues mobile operation			
Mobile subscription and traffic	3 669	3 962	15 093
Other mobile services	31	23	109
Total mobile service revenues	3 700	3 985	15 202
Wholesale and other mobile	88	100	411
Non-mobile	1 603	1 682	6 265
Total revenues mobile operation	5 391	5 767	21 878
Total service revenues	3 700	3 985	15 202
Total revenues	5 391	5 767	21 878
Gross profit	3 136	3 408	12 997
Operating expenses	(1 212)	(1 307)	(4 930)
EBITDA before other items	1 924	2 102	8 067
Operating profit	428	530	1 884
EBITDA before other items/Total revenues (%)	35.7	36.4	36.9
Capex excl. Licences and Spectrum	1 091	937	3 852
Statistics (monthly in NOK):			
Mobile ARPU	63	71	67
No. of subscriptions - Change in quarter/Total (in thousands):			
Mobile	305	229	19 561
Exchange rate (NOK/THB, average for the period)	0.2678	0.2811	0.2690

Digi - Malaysia

In Malaysia, Digi's postpaid segment continued to grow, with 43 000 new subscribers added in the first quarter. The positive development in postpaid was offset by decline in the prepaid segment.

Service revenue decreased by 2%, due to lower prepaid subscriber base and lower ARPU compared to last year. Total revenues decreased by 2%.

Opex increased by 1% mainly from higher network and IT cost and cost related to the merger process. EBITDA increased by 1% as the increase in gross profit offset the increase in opex.

Capex in the quarter was mainly related to 4G capacity and coverage expansion, and IT platform modernisation. In February Digi was assigned 2x10MHz in the 2600MHz spectrum band for a period of 5 years effective from 1 July 2022.

The preparations for the proposed merger with Celcom are progressing through the necessary steps.

NOK in million	First quarter		Year
	2022	2021	2021
Revenues mobile operation			
Mobile subscription and traffic	2 646	2 690	10 635
Other mobile services	48	37	154
Total mobile service revenues	2 693	2 728	10 789
Wholesale and other mobile	65	71	286
Non-mobile	450	446	2 062
Total revenues mobile operation	3 209	3 244	13 136
Total service revenues	2 693	2 728	10 789
Total revenues	3 209	3 244	13 136
Gross profit	2 408	2 371	9 500
Operating expenses	(835)	(819)	(3 219)
EBITDA before other items	1 573	1 552	6 281
Operating profit	915	902	3 626
EBITDA before other items/Total revenues (%)	49.0	47.8	47.8
Capex excl. Licences and Spectrum	176	317	1 666
Statistics (monthly in NOK):			
Mobile ARPU	88	89	88
No. of subscriptions - Change in quarter/Total (in thousands):			
Mobile	(77)	(191)	10 318
Exchange rate (NOK/MYR, average for the period)	2.1090	2.0929	2.0734

Grameenphone - Bangladesh

In Bangladesh, Grameenphone delivered 5% growth in service revenues which was a result of the larger subscriber base. Data revenues increased by 28%.

The subscriber base increased by 0.5 million during the quarter, mainly driven by lower churn. At the end of the quarter, the subscriber base stood at 83.7 million, which is 4% higher than at the same time last year.

Opex increased by 8% mainly due to higher sales and marketing cost. EBITDA increased by 2%. Adjusted for one-time effects both this year and last year, the underlying EBITDA increased by 1%.

Capex continued to be focused on enhancing network quality and coverage, including accelerated 4G roll-out to support data revenues growth.

On 31 March 2022, Bangladesh held a spectrum auction and Grameenphone acquired 60MHz in the 2600MHz frequency band at a price of approx. NOK 2.6 billion inclusive of VAT, to be paid in 10 equal annual instalments starting from this year.

NOK in million	First quarter		Year
	2022	2021	2021
Revenues mobile operation			
Mobile subscription and traffic	3 546	3 313	13 683
Other mobile services	6	7	27
Total mobile service revenues	3 551	3 320	13 710
Wholesale and other mobile	133	133	541
Non-mobile	51	46	213
Total revenues mobile operation	3 735	3 499	14 464
Total service revenues	3 551	3 320	13 710
Total revenues	3 735	3 499	14 464
Gross profit	3 462	3 264	13 496
Operating expenses	(1 181)	(1 072)	(4 444)
EBITDA before other items	2 281	2 192	9 052
Operating profit	1 519	1 628	6 403
EBITDA before other items/Total revenues (%)	61.1	62.7	62.6
Capex excl. Licences and Spectrum	403	364	1 745
Statistics (monthly in NOK):			
Mobile ARPU	15	14	14
No. of subscriptions - Change in quarter/Total (in thousands):			
Mobile	458	1 710	83 263
Exchange rate (NOK/BDT, average for the period)	0.1028	0.1005	0.1011

Pakistan

Telenor Pakistan delivered 4% service revenues growth which was a result of the larger subscriber base and increase in service ARPU through subscriber engagement. Data revenues increased by 23%. The strengthening of Norwegian Krone against Pakistani Rupee by 7% has impacted reported figures for 2022 negatively.

During the quarter, 134 000 subscriptions were added. At the end of the quarter, the subscribers base stood at 49.3 million, which is 2% higher than at the same time last year.

Opex increased by 14% mainly due to higher energy prices. EBITDA declined by 4%.

The challenging macroeconomic situation is driving inflationary pressure and impacting profitability through increased energy prices and indirectly through a reduction of customers' purchasing power. Several modernisation initiatives are ongoing, including projects which are addressing the energy usage and cost.

NOK in million	First quarter		Year
	2022	2021	2021
Revenues mobile operation			
Mobile subscription and traffic	1 106	1 145	4 621
Other mobile services	4	7	26
Total mobile service revenues	1 110	1 152	4 647
Wholesale and other mobile	156	198	772
Non-mobile	47	50	186
Total revenues mobile operation	1 313	1 400	5 604
Total service revenues	1 110	1 152	4 647
Total revenues	1 313	1 400	5 604
Gross profit	1 161	1 213	4 890
Operating expenses	(499)	(473)	(1 915)
EBITDA before other items	662	740	2 976
Operating profit	246	301	1 216
EBITDA before other items/Total revenues (%)	50.5	52.9	53.1
Capex excl. Licences and Spectrum	217	285	718
Statistics (monthly in NOK):			
Mobile ARPU	9	9	9
No. of subscriptions - Change in quarter/Total (in thousands):			
Mobile	134	1 275	49 125
Exchange rate (NOK/PKR, average for the period)	0.0498	0.0537	0.0528

Other units

Revenues increased by NOK 0.2 billion mainly explained by higher internal revenues in the Norwegian tower business Telenor Infra due to increase in colocation prices.

Increase in operating expenses of NOK 0.1 billion was driven by higher corporate activities related to M&A and strategic projects.

Telenor Infra increased revenues from external customers by 15% mainly due to the increase in colocation energy prices. Telenor Infra operates 11 000 mobile sites with a tenancy ratio of 1.6.

The IoT provider, Telenor Connexion, continued strong revenue growth of 10% driven by increased active SIM base and monthly fees as well as growth in traffic levels across the customer base. EBITDA decreased mainly due to higher cost related to growth initiatives.

Telenor Maritime delivered revenue growth of 83% as traffic is returning to pre-pandemic levels in the ferry segment and an improvement in the cruise segment. EBITDA improved mainly as a result of higher revenues.

NOK in million	First quarter		Year
	2022	2021	2021
Revenues			
Infra	589	435	1 804
Satellite	219	205	861
Connexion	193	188	759
Maritime	77	42	287
Other Businesses	516	537	2 255
Corporate Functions	450	427	1 734
Eliminations	(40)	(40)	(183)
Total revenues	2 005	1 794	7 518
Operating expenses	(980)	(879)	(3 817)
EBITDA before other items			
Infra	304	213	816
Satellite	150	140	609
Connexion	53	62	228
Maritime	(5)	(17)	(10)
Other Businesses	97	81	332
Corporate Functions	(113)	(69)	(443)
Eliminations	(14)	(3)	(24)
Total EBITDA before other items	471	406	1 508
Operating profit (loss)			
Infra	138	61	133
Satellite	77	75	327
Connexion	48	57	205
Maritime	(28)	(35)	(94)
Other Businesses	61	51	156
Corporate Functions	(153)	(114)	(709)
Eliminations	12	1	74
Total operating profit (loss)	155	97	92
Capex excl. Licences and Spectrum	199	121	635
Investments in businesses	107	191	392

Group performance in 2022

The comments below are related to development in 2022 compared to 2021, unless otherwise stated.

Specification of other income and other expenses

NOK in million	First quarter		Year
	2022	2021	2021
EBITDA before other income and other expenses	11 660	12 209	49 162
Other income	-	5	28
Gains on disposals of property, plant and equipment (PPE) and operations	1 802	6	145
Total other income	1 802	10	173
Losses on disposals of property, plant and equipment (PPE) and operations	(77)	(45)	(499)
Workforce reductions, onerous (loss) contracts and other	(174)	(114)	(1 461)
Total other expenses	(251)	(159)	(1 960)
EBITDA	13 211	12 061	47 375

Total other income this quarter consisted mainly of NOK 1.7 billion gain on divestment of fixed non-core assets in Telenor Sweden. Total other expenses consisted mainly of workforce reductions (of which NOK 77 million in Grameenphone and NOK 44 million in Telenor Norway). In the first quarter last year, total other expenses consisted mainly of workforce reductions in Telenor Denmark, Telenor Norway, dtac and Grameenphone.

Operating profit

Reported operating profit increased by NOK 1.2 billion to NOK 6.9 billion. The increase was mainly attributed to the gain of NOK 1.7 billion on divestment of fixed non-core assets in Sweden partly offset by lower EBITDA before other items by NOK 0.5 billion.

Associated Companies and Joint Ventures

NOK in million	First quarter		Year
	2022	2021	2021
Profit (loss) after taxes	(105)	(53)	(480)
Gains (losses) on disposal of ownership interests	-	-	21
Profit (loss) from associated companies and joint ventures	(105)	(53)	(459)

In the first quarter of 2022, net loss after tax from associated companies and joint ventures was NOK 105 million which consisted mainly of loss after tax in Carousel of NOK 83 million and in Telenor Microfinance Bank of NOK 69 million. This was partly offset by profit after tax in Allente Group AB (Allente) of NOK 47 million. First quarter of 2021 mainly includes loss after tax from Telenor Microfinance Bank of NOK 75 million, partly offset by profit after tax from Allente of NOK 30 million.

In the first quarter of 2022, Allente generated revenues of NOK 1.6 billion, a decrease of 7% as compared to the first quarter of 2021 which was mainly driven by negative currency effects. EBITDA amounted to NOK 0.2 billion which is an increase of 4% as compared to the same quarter last year mainly due to lower restructuring cost for dish turning project.

Financial Items

NOK in million	First quarter		Year
	2022	2021	2021
Financial income	160	147	566
Financial expenses	(717)	(923)	(3 553)
Net currency gains (losses)	102	469	(1 066)
Net change in fair value of financial instruments	249	(78)	84
Net gains (losses and impairment) of financial assets and liabilities	(4)	4	7
Net financial income (expenses)	(210)	(381)	(3 962)
Gross interest expenses related to interest-bearing liabilities and lease	(580)	(750)	(2 999)
Net interest expenses	(477)	(646)	(2 616)

Financial expenses in the first quarter of 2022 includes reversal of interest expense on tax payment related to guarantees in India of NOK 0.2 billion. Net currency gains in the first quarter were NOK 0.1 billion, compared to gains of NOK 0.5 billion last year. The decrease was related to minor losses from currencies like USD and SEK. Change in fair value of financial instruments for the first quarter of 2022 was mainly related to gains from interest rate instruments in USD.

Taxes

The effective tax rate this quarter decreased to negative 16% compared to the 31% for the first quarter last year, mainly due to the reversal of NOK 2.5 billion tax expense for the India guarantee for Unitech Wireless (see note 6) and non-taxable sales transaction in Telenor Sweden. The effective tax rate for the year is estimated to be around 16%.

Cash flow

Net cash inflow from operating activities during the first quarter 2022 was NOK 9.4 billion, a decrease of NOK 1.4 billion compared to 2021 mainly explained by negative EBITDA development and negative effects from changes in working capital partly offset by lower income taxes paid.

Net cash outflow to investing activities during the first quarter of 2022 was NOK 3.1 billion, a decrease of NOK 1.6 billion compared to 2021. Payments of PPE, intangibles and prepayments of right-of-use assets during the first quarter of 2022 were NOK 1.2 billion lower compared to last year. Proceeds from disposal of business includes net proceeds from the disposal of fixed non-core assets in Sweden of NOK 2.9 billion partly offset by net negative effect of NOK 1.7 billion related to sale of Telenor Myanmar. Proceeds from sale of other investments in 2021 included NOK 1.0 billion related to sale of CEE.

Net cash outflow to financing activities during the first quarter of 2022 was NOK 2.7 billion. This is explained by repayments of lease obligations of NOK 1.4 billion, repayments of licence obligations of NOK 0.9 billion and NOK 0.3 billion dividends paid to non-controlling interests.

Cash and cash equivalents increased by NOK 3.5 billion during the first quarter to NOK 20.5 billion as of 31 March 2022.

Financial position

During the first quarter of 2022, total assets increased by NOK 0.9 billion to NOK 226.6 billion.

During the first quarter of 2022, net debt decreased by NOK 8.4 billion to NOK 92.4 billion driven primarily by positive free cashflow adjusted for sale of Telenor Myanmar of NOK 5.3 billion and positive currency translation effects of approximately NOK 2.7 billion. Interest-bearing liabilities excluding licence obligations decreased by NOK 3.4 billion. Cash and cash equivalents increased by NOK 5.6 billion.

During the first quarter of 2022, total equity increased by NOK 7.9 billion to NOK 39.4 billion. The increase was primarily caused by the positive net income from total operations of NOK 7.2 billion including the reclassification of previously recognised translation differences concerning Telenor Myanmar from other comprehensive income to income statement of NOK 0.8 billion, which has no effect on total equity, and pension remeasurement gain (net of tax) of NOK 0.9 billion. This was offset by negative currency translation effects of NOK 0.8 billion and dividends to non-controlling interests of NOK 0.3 billion.

Transactions with related parties

For detailed information on related party transactions, please refer to Note 33 *Related parties* in the Group's Annual Report 2021.

Risks and uncertainties

The risks and uncertainties described below are expected to remain for the next three months.

Telenor operates in markets that are subject to geopolitical risks with potential negative impacts. The most prominent risks include supply chain disruption due to escalating trade tension and sanctions. Furthermore, post-COVID-19 macroeconomic instability may increase the risk of governments in Telenor's Asian markets enforcing additional financial, regulatory and tax requirements.

On 24 February 2022 Russia began its invasion of Ukraine, resulting in geopolitical uncertainty and volatility in the region. Telenor considers the conflict in Ukraine and the resulting sanctions on Russia and Belarus to increase the likelihood of cyber-attacks on western countries and critical infrastructure, where Telenor may be subject to both direct cyber-attacks and collateral damage. We are following the situation closely and are increasing readiness for potential attacks. There is also a risk of supply chain disruption as a resulting impact. In the event of prolonged conflict, there could be higher inflation and potential disruption in the financial market. These risks require close and continuous monitoring and are being closely followed up at both local and Group level.

The impact from the COVID-19 pandemic is still impacting the business environment in Asia. However, the pandemic receded in Asia during the first quarter 2022 following increased level of vaccination, and the economies gradually reopened.

Currency fluctuations may also influence the reported figures in Norwegian Kroner significantly. Telenor ASA seeks to allocate debt based on equity market values in local currencies, predominantly EUR, USD, and SEK. Foreign currency debt in Telenor ASA that exceeds the recorded equity of investments in the same currency will not be part of an effective net investment hedge relationship. Currency fluctuations related to this part of the debt will be recorded in the income statement.

Climate-related risks may have an effect on the Group's financial statements. The Group is exposed to climate-related physical risks, such as potential damage to vital infrastructure and utilities, through the impact of more extreme weather events and rising sea levels. Climate-related regulatory risks for the Group 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 may affect future cash flow projections applied to determine the recoverable amount of cash-generating units for the purpose of impairment testing, as well as estimates of useful life and residual value of assets.

For additional explanations regarding risks and uncertainties, please refer to the following sections in the Group's Annual Report 2021: the *Risk* section in the Board of Directors' Report, Note 13 *Income taxes*, Note 29 *Financial Risk Management* and Note 34 *Legal Disputes and contingencies*. Readers are also referred to the Disclaimer below.

There are no material developments of legal disputes and contingencies since the publication of the Group's Annual Report for 2021.

Disclaimer

This report contains statements regarding the future in connection with Telenor's growth initiatives, profit figures, outlook, strategies and objectives. In particular, the section Outlook contains forward-looking statements regarding the Group's expectations. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements.

Interim condensed financial information

Consolidated income statement

Telenor Group

NOK in million	Note	First quarter		Year
		2022	2021	2021
Revenues	2	27 009	27 518	110 241
Total cost of materials and traffic charges		(7 173)	(7 310)	(29 176)
Salaries and personnel costs		(2 608)	(2 696)	(10 457)
Other operating expenses		(5 568)	(5 302)	(21 446)
Other income		1 802	10	173
Other expenses		(251)	(159)	(1 960)
EBITDA		13 211	12 061	47 375
Depreciation and amortisation		(6 360)	(6 380)	(25 868)
Operating profit (loss)		6 852	5 680	21 506
Share of net income from associated companies and joint ventures		(105)	(53)	(459)
Net financial items		(210)	(381)	(3 962)
Profit (loss) before taxes		6 537	5 246	17 084
Income taxes		1 059	(1 650)	(5 740)
Profit (loss) from continuing operations		7 595	3 596	11 344
Profit (loss) from discontinued operations	3	(345)	(6 728)	(6 753)
Net income		7 250	(3 133)	4 592
Net income attributable to:				
Non-controlling interests		680	756	3 063
Equity holders of Telenor ASA		6 570	(3 889)	1 528
Earnings per share in NOK				
Basic/diluted from continuing operations		4.94	2.03	5.92
Basic/diluted from discontinued operations		(0.25)	(4.81)	(4.83)
Basic/diluted from total operations		4.69	(2.78)	1.09

The interim financial information has not been subject to audit or review.

Consolidated statement of comprehensive income

Telenor Group

NOK in million	First quarter		Year
	2022	2021	2021
Net income	7 250	(3 133)	4 592
Translation differences on net investment in foreign operations	(1 824)	(3 012)	(3 514)
Amount reclassified from other comprehensive income to income statement on partial disposal	789	-	-
Net gain (loss) on hedge of net investment	1 287	2 451	2 447
Income taxes	(283)	(539)	(538)
Share of other comprehensive income (loss) of associated companies and joint ventures	53	70	75
Amount reclassified from other comprehensive income to income statement on disposal	-	-	1
Items that may be reclassified subsequently to income statement	22	(1 030)	(1 529)
Net gain (loss) on equity investments	1	9	134
Remeasurement of defined benefit pension plans	1 199	631	266
Income taxes	(264)	(139)	(57)
Items that will not be reclassified to income statement	936	501	344
Other comprehensive income (loss), net of taxes	958	(529)	(1 186)
Total Comprehensive Income	8 208	(3 661)	3 406
Total comprehensive income attributable to:			
Non-controlling interests	608	614	2 909
Equity holders of Telenor ASA	7 601	(4 275)	498

The interim financial information has not been subject to audit or review.

Consolidated statement of financial position

Telenor Group

NOK in million	Note	31 March 2022	31 December 2021	31 March 2021
Deferred tax assets		1 466	2 195	1 912
Goodwill		26 220	27 448	27 534
Intangible assets		9 859	10 195	10 544
Right-of-use assets		50 866	51 565	54 291
Property, plant and equipment		71 739	72 767	73 098
Associated companies and joint ventures		5 610	5 683	6 253
Other non-current assets		15 028	12 046	14 159
Total non-current assets		180 787	181 898	187 791
Prepaid taxes		1 486	1 568	1 528
Inventories		1 562	1 563	1 590
Trade and other receivables		21 354	21 739	23 576
Other current financial assets		654	839	578
Assets classified as held for sale	3	-	2 910	-
Cash and cash equivalents		20 798	15 223	22 785
Total current assets		45 853	43 843	50 058
Total assets		226 640	225 740	237 849
Equity attributable to equity holders of Telenor ASA		33 905	26 294	34 065
Non-controlling interests		5 493	5 206	5 419
Total equity		39 398	31 500	39 484
Non-current lease liabilities		27 862	28 101	30 199
Non-current interest-bearing liabilities	4	85 291	87 811	93 303
Non-current non-interest-bearing liabilities		1 304	1 388	1 477
Deferred tax liabilities		4 038	4 374	4 186
Pension obligations		2 355	2 429	2 552
Provisions and obligations		7 918	7 971	8 609
Total non-current liabilities		128 768	132 073	140 327
Current lease liabilities		6 628	6 977	9 533
Current interest-bearing liabilities	4	9 041	9 276	6 037
Trade and other payables		30 859	32 315	31 764
Dividend payable		229	5	478
Current tax payables		5 465	5 149	4 812
Current non-interest-bearing liabilities		2 038	1 969	1 331
Provisions and obligations		764	896	932
Liabilities classified as held for sale	3	3 449	5 580	3 152
Total current liabilities		58 474	62 167	58 039
Total equity and liabilities		226 640	225 740	237 849

The interim financial information has not been subject to audit or review.

Consolidated statement of cash flows

Telenor Group

NOK in million	First quarter		Year
	2022	2021	2021
Profit before taxes from total operations ¹⁾	6 241	(1 499)	10 385
Income taxes paid	(1 439)	(1 854)	(6 113)
Net (gains) losses from disposals, impairments and change in fair value of financial assets and liabilities	(1 113)	115	272
Depreciation, amortisation and impairment losses	6 360	13 495	34 363
Loss (profit) from associated companies and joint ventures	105	53	459
Dividends received from associated companies	-	262	532
Currency (gains) losses not related to operating activities	31	(506)	1 160
Changes in working capital and other	(772)	769	1 215
Net cash flow from operating activities	9 414	10 834	42 272
Purchases of property, plant and equipment, intangible assets and prepayment for right-of-use assets	(4 491)	(5 702)	(19 447)
Purchases of subsidiaries, associated companies and joint ventures, net of cash acquired	(107)	(191)	(391)
Proceeds from disposal of PPE, intangible assets, associated companies and businesses, net of cash disposed	1 288	32	178
Proceeds from sale and purchases of other investments	224	1 143	2 432
Net cash flow from investing activities	(3 086)	(4 718)	(17 228)
Proceeds from and repayments of borrowings	45	(1 009)	(2 930)
Payments of lease liabilities related to spectrum licences	(873)	(378)	(2 871)
Payments of lease liabilities related to other lease contracts	(1 445)	(1 396)	(5 955)
Net payments of supply chain financing	(96)	(210)	(1)
Purchase of treasury shares	-	(24)	-
Dividends paid to and purchases of shares from non-controlling interests	(325)	(299)	(3 551)
Dividends paid to equity holders of Telenor ASA	-	-	(12 595)
Net cash flow from financing activities	(2 694)	(3 316)	(27 903)
Effects of exchange rate changes on cash and cash equivalents	(141)	(259)	(245)
Net change in cash and cash equivalents	3 493	2 541	(3 103)
Cash and cash equivalents at the beginning of the period	16 985	20 088	20 088
Cash and cash equivalents at the end of the period ²⁾	20 479	22 630	16 985
Of which cash and cash equivalents in assets held for sale at the end of the period	-	-	1 863
Cash and cash equivalents in continuing operations at the end of the period	20 479	22 630	15 121
¹⁾ Profit before taxes from total operations consists of:			
Profit before taxes from continuing operations	6 537	5 246	17 084
Profit before taxes from discontinued operations	(296)	(6 745)	(6 699)
Profit before taxes from total operations	6 241	(1 499)	10 385

2) As of 31st March 2022, restricted cash was NOK 11 million, while as of 31st March 2021, restricted cash was

Cash flow from discontinued operations

NOK in million	First quarter		Year
	2022	2021	2021
Net cash flow from operating activities	571	524	2 574
Net cash flow from investing activities	(1 687)	(112)	(256)
Net cash flow from financing activities	(174)	(221)	(981)
Total cash flows from discontinued operations	(1 290)	191	1 337
Effects of exchange rate changes on cash and cash equivalents	9	(37)	(229)
Net cash flows from discontinued operations	(1 281)	154	1 108

The cash flow ascribed to discontinued operations are only cash flows from external transactions. Hence, the cash flows presented for discontinued operations do not reflect these operations as if they were standalone entities.

The interim financial information has not been subject to audit or review.

Consolidated statement of changes in equity

Telenor Group

NOK in million	Attributable to equity holders of the parent						Non-controlling interests	Total equity
	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences	Total			
Equity as of 1 January 2021	8 466	(22 014)	55 049	(3 181)	38 324	5 594	43 918	
Net income for the period	-	-	1 528	-	1 528	3 063	4 592	
Other comprehensive income for the period	-	415	-	(1 446)	(1 031)	(155)	(1 186)	
Total comprehensive income for the period	-	415	1 528	(1 446)	498	2 909	3 406	
Transactions with non-controlling interests	-	-	(1)	-	(1)	(1)	(2)	
Equity adjustments in associated companies	-	3	-	-	3	-	3	
Dividends	-	-	(12 595)	-	(12 595)	(3 296)	(15 891)	
Share - based payment, exercise of share options and distribution of shares	-	66	-	-	66	-	66	
Equity as of 31 December 2021	8 466	(21 530)	43 981	(4 627)	26 295	5 205	31 500	
Net income for the period	-	-	6 570	-	6 570	680	7 250	
Other comprehensive income for the period	-	989	-	42	1 030	(72)	958	
Total comprehensive income for the period	-	989	6 570	42	7 601	608	8 209	
Dividends	-	-	-	-	-	(320)	(320)	
Share - based payment, exercise of share options and distribution of shares	-	10	-	-	10	-	10	
Equity as of 31 March 2022	8 466	(20 531)	50 551	(4 585)	33 906	5 493	39 399	

NOK in million	Attributable to equity holders of the parent						Non-controlling interests	Total equity
	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences	Total			
Equity as of 1 January 2021	8 466	(22 014)	55 049	(3 181)	38 324	5 594	43 918	
Net income for the period	-	-	(3 889)	-	(3 889)	756	(3 133)	
Other comprehensive income for the period	-	572	-	(958)	(386)	(142)	(528)	
Total comprehensive income for the period	-	572	(3 889)	(958)	(4 275)	614	(3 661)	
Dividends	-	-	-	-	-	(789)	(789)	
Share - based payment, exercise of share options and distribution of shares	-	16	-	-	16	-	16	
Equity as of 31 March 2021	8 466	(21 427)	51 160	(4 140)	34 064	5 419	39 484	

The interim financial information has not been subject to audit or review.

Notes to the interim consolidated financial statements

Note 1 – General accounting principles

Telenor (the Group) consists of Telenor ASA (the Company) and its subsidiaries. Telenor ASA is a public limited liability company, incorporated in Norway. The condensed consolidated interim financial statements consist of the Group and the Group's interests in associated companies and joint arrangements. As a result of rounding differences, numbers or percentages may not add up to the total.

These interim condensed consolidated financial statements for the three months ending 31 March 2022, have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for 2021 (Annual Report 2021). Key developments in risks and uncertainties are described in the section Risks and uncertainties on page 13.

The accounting policies applied in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2021. For information about standards, amendments to standards and interpretations effective from 1 January 2022, that could affect the Group's consolidated financial statements, please refer to note 1 in the Group's Annual Report 2021. None of the amendments effective from 1 January 2022 has had a significant impact on the Group's consolidated interim financial statements. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Note 2 – Disaggregation of revenue

In the following table, revenue is disaggregated by major revenue streams divided into the reportable segments as shown in note 7. For further information on the categories, please refer to note 6 in the Group's Annual Report 2021.

First quarter 2022

NOK in millions	Norway	Sweden	Denmark	DNA Finland	dtac Thailand	Digi Malaysia	Grameenphone Bangladesh	Pakistan	Other units	Eliminations	Group
Type of good/											
Mobile operation	3 800	2 004	1 184	1 822	4 533	3 161	3 690	1 277	-	(224)	21 248
Services	3 331	1 577	898	1 443	3 918	2 760	3 687	1 275	-	(224)	18 665
Goods	469	427	285	380	615	401	3	2	-	-	2 583
Fixed operation	2 121	794	125	525	-	-	-	-	389	(124)	3 829
Services	2 058	792	125	525	-	-	-	-	389	(112)	3 776
Goods	63	2	-	-	-	-	-	-	-	(12)	53
Other	145	-	-	-	-	-	-	-	1 009	(492)	662
Services	145	-	-	-	-	-	-	-	1 001	(492)	654
Goods	-	-	-	-	-	-	-	-	8	-	8
Sum type of goods/services	6 066	2 798	1 309	2 347	4 533	3 161	3 690	1 277	1 398	(840)	25 739
Type of mobile subscription											
Contract	2 854	1 403	778	1 320	2 505	1 277	159	37	-	(17)	10 316
Prepaid	24	-	-	52	1 241	1 422	3 517	1 222	-	(108)	7 370
Other ¹⁾	453	174	120	71	172	61	11	16	-	(99)	979
Sum services in Mobile operation	3 331	1 577	898	1 443	3 918	2 760	3 687	1 275	-	(224)	18 665
Timing of revenue recognition											
Over time	5 533	2 369	1 023	1 967	3 918	2 760	3 687	1 275	1 390	(828)	23 095
At a point in time	532	429	285	380	615	401	3	2	8	(12)	2 644
Total revenue from contract with customers	6 066	2 798	1 309	2 347	4 533	3 161	3 690	1 277	1 398	(840)	25 739
Other revenue ²⁾	82	50	7	30	858	48	45	35	607	(491)	1 270
Total revenue	6 148	2 848	1 315	2 376	5 391	3 209	3 735	1 313	2 005	(1 330)	27 009
Segment revenue as presented in note 7	6 148	2 848	1 315	2 376	5 391	3 209	3 735	1 313	2 005	(1 330)	27 009

¹⁾ Other includes revenues from other mobile and non-mobile services, refer to definitions on page 24.

²⁾ Other revenues include mainly lease revenue.

First quarter 2021

NOK in millions	Norway	Sweden	Denmark	DNA Finland	dtac Thailand	Digi Malaysia	Grameenphone Bangladesh	Pakistan	Other units	Eliminations	Group
Type of good/											
Mobile operation	3 734	2 047	1 170	1 872	4 898	3 200	3 458	1 364	-	(242)	21 502
Services	3 250	1 610	873	1 485	4 216	2 799	3 453	1 361	-	(242)	18 805
Goods	484	437	297	387	682	401	5	4	-	-	2 697
Fixed operation	2 279	912	129	544	-	-	-	-	414	(142)	4 135
Services	2 205	910	129	544	-	-	-	-	414	(129)	4 072
Goods	74	2	-	-	-	-	-	-	-	(13)	63
Other	181	-	-	-	-	-	-	-	911	(448)	645
Services	181	-	-	-	-	-	-	-	909	(448)	643
Goods	-	-	-	-	-	-	-	-	2	-	2
Sum type of goods/services	6 195	2 959	1 299	2 416	4 898	3 200	3 458	1 364	1 325	(837)	26 275
Type of mobile subscription											
Contract	2 830	1 423	793	1 356	2 685	1 245	132	42	-	(9)	10 497
Prepaid	31	41	-	49	1 372	1 505	3 313	1 300	-	(89)	7 522
Other ¹⁾	389	146	80	80	159	49	9	18	-	(143)	787
Sum services in Mobile operation	3 250	1 610	873	1 485	4 216	2 799	3 453	1 361	-	(242)	18 805
Timing of revenue											
Over time	5 636	2 520	1 002	2 028	4 216	2 799	3 453	1 361	1 323	(824)	23 513
At a point in time	559	439	297	387	682	401	5	4	2	(13)	2 762
Total revenue from contract with customers	6 195	2 959	1 299	2 416	4 898	3 200	3 458	1 364	1 324	(837)	26 275
Other revenue ²⁾	84	52	7	8	869	45	41	36	470	(370)	1 242
Total revenue	6 279	3 011	1 307	2 423	5 767	3 244	3 499	1 400	1 794	(1 206)	27 518
Segment revenue as presented in note 7	6 279	3 011	1 307	2 423	5 767	3 244	3 499	1 400	1 794	(1 206)	27 518

¹⁾ Other includes revenues from other mobile and non-mobile services, refer to definitions on page 24.

²⁾ Other revenues include mainly lease revenue.

Year 2021

NOK in millions	Norway	Sweden	Denmark	DNA Finland	dtac Thailand	Digi Malaysia	Grameenphone Bangladesh	Pakistan	Other units	Eliminations	Group
Type of good/											
Mobile operation	15 350	8 268	4 814	7 496	18 502	12 941	14 288	5 461	-	(1 011)	86 111
Services	13 362	6 541	3 617	5 951	16 133	11 077	14 263	5 451	-	(1 010)	75 385
Goods	1 987	1 728	1 197	1 546	2 370	1 864	25	10	-	(1)	10 726
Fixed operation	9 058	3 623	502	2 185	-	-	-	-	1 732	(561)	16 540
Services	8 690	3 616	502	2 185	-	-	-	-	1 732	(512)	16 214
Goods	369	7	-	-	-	-	-	-	-	(50)	326
Other	639	-	-	-	-	-	-	-	3 903	(1 855)	2 687
Services	639	-	-	-	-	-	-	-	3 889	(1 855)	2 673
Goods	-	-	-	-	-	-	-	-	14	-	14
Sum type of goods/services	25 047	11 892	5 316	9 682	18 502	12 941	14 288	5 461	5 635	(3 427)	105 338
Type of mobile subscription											
Contract	11 525	5 723	3 199	5 396	10 286	4 996	629	162	-	(71)	41 845
Prepaid	122	177	-	209	5 190	5 883	13 591	5 224	-	(516)	29 881
Other ¹⁾	1 715	640	419	345	656	198	44	65	-	(423)	3 660
Sum services in Mobile operation	13 362	6 541	3 617	5 951	16 133	11 077	14 263	5 451	-	(1 010)	75 385
Timing of revenue											
Over time	22 691	10 157	4 119	8 136	16 133	11 077	14 263	5 451	5 621	(3 377)	94 272
At a point in time	2 356	1 735	1 197	1 546	2 370	1 864	25	10	14	(50)	11 066
Total revenue from contract with customers	25 047	11 892	5 316	9 682	18 502	12 941	14 288	5 461	5 635	(3 427)	105 338
Other revenue ²⁾	314	216	30	31	3 376	195	176	143	1 883	(1 461)	4 903
Total revenue	25 362	12 107	5 346	9 712	21 878	13 136	14 464	5 604	7 518	(4 887)	110 241
Segment revenue as presented in note 7	25 362	12 107	5 346	9 712	21 878	13 136	14 464	5 604	7 518	(4 887)	110 241

¹⁾ Other includes revenues from other mobile and non-mobile services, refer to definitions on page 24.

²⁾ Other revenues include mainly lease revenue.

Note 3 – Discontinued operations and assets held for sale

Discontinued operations

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 has received USD 50 million (approximately NOK 450 million) at closing and paid USD 4 million as transaction cost. The remaining USD 55 million shall be received in equal installments over the coming 5 years. Closing of the transaction has minor impact on the equity of Telenor Group. However, the reclassification of accumulated losses related to translation differences earlier recognised in other comprehensive income has impacted the income statement negatively with approximately NOK 0.8 billion. The derecognition of the cash balance in Telenor Myanmar and the proceeds received at closing results in a net negative cash flow impact of around NOK 1.7 billion. Due to the uncertain situation in Myanmar, the deferred payment is not recognised in the accounts as of 31 March 2022. The business will continue to operate under the brand name Telenor Myanmar for four months and have a transition service agreement with Telenor for six months.

Telenor Myanmar has been classified as asset held for sale and discontinued operation since second quarter 2021. Hence, the comparative numbers for the income statement were re-presented. During first quarter 2021, Telenor Myanmar recognised an impairment loss of NOK 6.5 billion.

The profit (loss) for Telenor Myanmar presented as discontinued operation are as follows:

NOK in million	First quarter		Year
	2022	2021	2021
Revenue	1 018	1 356	4 835
EBITDA	617	803	2 751
EBIT	617	(6 312)	(5 743)
Profit (loss) before tax	602	(6 601)	(6 185)
Income taxes	(50)	17	(53)
Profit (loss) after tax	553	(6 585)	(6 238)
Gain (loss) on disposal after tax	(857)	-	-
Profit (loss) from discontinued operations	(304)	(6 585)	(6 238)

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 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.

The profit (loss) of all disposal groups including Telenor Myanmar presented as discontinued operations until disposal, and subsequent adjustments:

NOK in million	First quarter		Year
	2022	2021	2021
Revenue	1 018	1 356	4 835
EBITDA	617	803	2 751
EBIT	617	(6 312)	(5 743)
Profit (loss) before tax	602	(6 601)	(6 185)
Income taxes	(50)	17	(53)
Profit (loss) after tax	553	(6 585)	(6 238)
Gain (loss) on disposal after tax	(898)	(144)	(515)
Profit (loss) from discontinued operations	(345)	(6 728)	(6 753)

The losses on disposal recognised during first quarter 2022 is mainly related to Telenor Myanmar and loss recognised during first quarter 2021 was mainly related to Telenor India.

Assets held for sale

On 24 November 2021, Telenor Sweden agreed to divest Open Universe and the company's fiber to the home (FTTH) accesses in

the single dwelling unit (SDU) segment to Global Connect for a total consideration of NOK 2.9 billion. The transaction was approved by the Swedish competition authorities in December 2021 and subsequently Telenor Sweden finalised the divestment on 1 February 2022. The sale includes around 200,000 ports in the open fiber networks model and approximately 14,000 single dwelling unit fiber to the home accesses. The divestment of the assets of total NOK 1.2 billion (including goodwill of NOK 0.5 billion) resulted in a gain of NOK 1.7 billion, recognised in the first quarter 2022.

The major classes of liabilities of the disposal groups classified as held for sale as of 31 March 2022 and 31 March 2021 representing mainly Telenor India, Telenor Myanmar, Open Universe and FTTH in Sweden and Telenor India represented the major classes of assets and liabilities as of 31 December 2021:

NOK in million	31 March	31 March	31 December
	2022	2021	2021
Assets			
Property, plant and equipment	-	-	717
Inventory	-	-	13
Trade and other receivables	-	-	317
Cash and cash equivalents	-	-	1 863
Total assets classified as held for sale	-	-	2 910
Liabilities			
Non-current liabilities	-	-	23
Current liabilities	3 449	3 152	5 557
Total liabilities held for sale	3 449	3 152	5 580

The accumulated amounts for discontinued operations recognised in Other comprehensive income within Equity are as follows:

NOK in million	31 March	31 March	31 December
	2022	2021	2021
Telenor Myanmar	-	(696)	(802)
Telenor India	(136)	(78)	(180)
Total gain (loss)	(136)	(774)	(982)

Note 4 – Interest-bearing liabilities

Fair value of interest-bearing liabilities recognised at amortised cost:

NOK in million	31 March 2022	
	Carrying amount	Fair value
Interest-bearing liabilities ¹⁾	(94 332)	(93 172)
of which fair value level 1	-	(85 985)
of which fair value level 2	-	(7 187)

NOK in million	31 December 2021	
	Carrying amount	Fair value
Interest-bearing liabilities ¹⁾	(97 087)	(99 389)
of which fair value level 1	-	(92 421)
of which fair value level 2	-	(6 968)

NOK in million	31 March 2021	
	Carrying amount	Fair value
Interest-bearing liabilities ¹⁾	(99 341)	(103 800)
of which fair value level 1	-	(95 207)
of which fair value level 2	-	(8 593)

¹⁾ Excluding lease liabilities.

Note 5 – Fair value of financial instruments

Financial derivatives are recognised at fair value based on observable market data (level 2). See note 30 in the Annual Report 2021 for valuation methodologies. The financial derivatives are classified in the consolidated statement of financial position as disclosed in the table:

NOK in million	31 March	31 December	31 March
	2022	2021	2021
Other non-current assets	552	1 013	2 091
Other current financial assets	295	464	193
Non-current non-interest-bearing financial liabilities	(1 023)	(1 106)	(1 323)
Non-current interest-bearing financial liabilities	(1 057)	(120)	(15)
Current non-interest-bearing liabilities	(771)	(675)	(136)
Total	(2 004)	(425)	811

Note 6 – Income tax

On 28 March 2022, Telenor ASA received a ruling from the district court regarding the appeal of reassessment order from 2019 concerning deductibility of loss on the India guarantee for Unitech Wireless. The court decided in Telenor's favour that the loss was final in 2013, and that Telenor has not become owner of at least 90% of the shares in Unitech Wireless and that the loss therefore is not subject to restriction rules for related party loans. The decision may be appealed within 9 May 2022. Consequently, the tax expense of NOK 2.5 billion recognized in 2019 is reversed this quarter (for more information see Annual Reports 2021, note 13 Income taxes for uncertain tax positions Norway).

Note 7 – Segment information and reconciliation of EBITDA before other income and other expenses

The segment information is reported in accordance with the reporting to Group Executive Management (chief operating decision makers) and is consistent with financial information used for assessing performance and allocating resources.

First quarter 2022

NOK in million	Total revenues			of which internal		EBITDA before other income and other expenses ¹⁾				Investments ²⁾	
	2022	2021	Growth	2022	2021	2022	Margin	2021	Margin	2022	2021
Norway	6 148	6 279	-2.1 %	87	105	3 002	48.8 %	3 130	49.9 %	2 297	1 239
Sweden	2 848	3 011	-5.4 %	17	15	976	34.3 %	1 063	35.3 %	316	603
Denmark	1 315	1 307	0.6 %	22	22	350	26.6 %	364	27.8 %	332	84
DNA - Finland	2 376	2 423	-1.9 %	14	8	910	38.3 %	954	39.4 %	220	216
dtac - Thailand	5 391	5 767	-6.5 %	12	11	1 924	35.7 %	2 102	36.4 %	1 091	937
Digi - Malaysia	3 209	3 244	-1.1 %	11	13	1 573	49.0 %	1 552	47.8 %	191	348
Grameenphone - Pakistan	3 735	3 499	6.8 %	25	23	2 281	61.1 %	2 192	62.7 %	403	352
Other units	1 313	1 400	-6.2 %	65	70	662	50.5 %	740	52.9 %	217	325
Eliminations	2 005	1 794	11.7 %	1 079	940	471	23.5 %	406	22.7 %	307	312
Eliminations	(1 330)	(1 206)	10.3 %	(1 330)	(1 206)	(489)	36.8 %	(295)	24.5 %	-	-
Group	27 009	27 518	-1.8 %	-	-	11 660	43.2 %	12 209	44.4 %	5 375	4 415

Year 2021

NOK in million	Total revenues		of which internal		EBITDA before other income and other expenses ¹⁾		Investments ²⁾
	2021	2021	2021	2021	2021	Margin	2021
Norway	25 362	447	12 758	50.3 %	5 637		
Sweden	12 107	69	4 434	36.6 %	1 839		
Denmark	5 346	87	1 413	26.4 %	1 077		
DNA - Finland	9 712	34	3 645	37.5 %	1 625		
dtac - Thailand	21 878	52	8 067	36.9 %	3 852		
Digi - Malaysia	13 136	49	6 281	47.8 %	1 699		
Grameenphone - Bangladesh	14 464	102	9 052	62.6 %	2 853		
Pakistan	5 604	276	2 976	53.1 %	3 129		
Other units	7 518	3 770	1 508	20.1 %	1 027		
Eliminations	(4 887)	(4 887)	(971)	19.9 %	-		
Group	110 241	-	49 162	44.6 %	22 737		

¹⁾ The segment profit is EBITDA before other income and other expenses.

²⁾ Investments consist of capex and investments in businesses, see page 24 for alternative performance measures.

Reconciliation

NOK in million	First quarter		Year
	2022	2021	2021
Profit (loss) before taxes	6 537	5 246	17 084
Share of net income from associate companies and joint	(105)	(53)	(459)
Net financial items	(210)	(381)	(3 962)
Operating profit (loss)	6 852	5 680	21 506
Depreciation and amortisation	(6 360)	(6 380)	(25 868)
Impairment losses	-	-	-
EBITDA	13 211	12 061	47 375
Other income	1 802	10	173
Other expenses	(251)	(159)	(1 960)
EBITDA before other income and other expenses	11 660	12 209	49 162

Note 8 – Events after the reporting period

Digi – Malaysia

On 28 April 2022, the Board of Directors of Digi declared the first interim dividend for 2022 of MYR 0.029 per share, which corresponds to approximately NOK 0.5 billion total dividend and approximately NOK 0.3 billion for the non-controlling interests ownership share.

Definitions and Alternative Performance Measures

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 service revenues connected to subscriptions. 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

Consists 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

Consist of revenues from customer equipment and businesses that are not directly related to mobile operations.

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.

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

Infra

Consist of revenues from passive infrastructure services in Norway.

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.

Service revenues

Consist of mobile and fixed service revenues, and revenues from Connexion and Maritime.

Other key figures

Mobile operations

Subscriptions

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 telemetric applications and twin/multi SIM cards are excluded. Total subscriptions are voice SIM cards plus data only SIM cards used for mobile broadband.

Active mobile internet users

Active mobile internet users are subscriptions with at least 150 KB of data during the last three months.

Average traffic minutes per subscription per month (AMPU)

Traffic minutes per subscription per month are calculated based on total outgoing and incoming rated minutes from the company's own subscriptions less data only subscriptions. This includes zero rated minutes and outgoing minutes from own subscriptions while roaming. Outgoing and incoming minutes related to inbound roaming, national roaming, service providers and MVNOs are not included.

Average revenue per subscription per month (ARPU)

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.

Fixed operations

Subscriptions

Telephony consists of PSTN, ISDN and VoIP subscriptions. Internet consists of broadband access over xDSL, fibre, cable and fixed wireless access. TV consists of TV services over fibre and cable. Subscriptions are counted until the subscription is terminated.

Average revenue per subscription per month (ARPU)

ARPU is calculated based on revenues from the company's own subscriptions, divided by the average number of subscriptions for the relevant period. Internet ARPU is calculated based on Internet revenues as defined above except TV service revenues. TV ARPU is calculated based on revenues from TV services.

Alternative Performance Measures

Telenor Group's financial information is prepared in accordance with International Financial Reporting standards (IFRS). In addition, it is management's intent to provide alternative performance measures that are regularly reviewed by management to enhance the understanding of Telenor's performance, but not instead of, the financial statements prepared in accordance with IFRS. The alternative performance measures presented may be determined or calculated differently by other companies.

Organic revenue

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	First quarter		Change first quarter	
	2022	2021	2022	Change YoY
Total revenue	27 009	27 518	(508)	-1.8 %
Impact using exchange rates for 2022	-	(606)	606	
M&A	-	(48)	48	
Organic revenue	27 009	26 863	147	0.5 %

NOK in million	First quarter		Change first quarter	
	2021	2020	2021	Change YoY
Total revenue	27 518	29 131	(1 613)	-5.5 %
Impact using exchange rates for 2021	-	(1 310)	1 310	
M&A	-	(136)	136	
Organic revenue	27 518	27 684	(167)	-0.6 %

Organic service revenue

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	First quarter		Change first quarter	
	2022	2021	2022	Change YoY
Service revenues	20 879	21 236	(357)	-1.7%
Impact using exchange rates for 2022	-	(424)	424	
M&A	-	-	-	
Organic service revenues	20 879	20 812	67	0.3%

NOK in million	First quarter		Change first quarter	
	2021	2020	2021	Change YoY
Service revenues	21 236	23 045	(1 809)	-7.8%
Impact using exchange rates for 2021	-	(1 097)	1 097	
M&A	-	-	-	
Organic service revenues	21 236	21 948	(712)	-3.2%

Service revenues

NOK in million	First quarter		Year
	2022	2021	2021
Mobile subscription and traffic revenues	17 023	17 259	68 817
Other mobile revenues	302	248	1 059
Total mobile service revenues	17 326	17 508	69 877
Wholesale and other mobile	1 048	1 040	4 413
Non-mobile	3 904	4 008	15 978
Total revenues mobile operations	22 278	22 556	90 268
Fixed telephony	183	270	960
Fixed Internet/TV	2 895	2 987	11 999
Other fixed services	218	244	973
Total fixed service revenues	3 296	3 501	13 931
Hardware	42	63	243
Wholesale and broadcasting	945	1 052	4 216
Total revenues fixed operations	4 283	4 616	18 390
Other service revenues	257	227	1 020
Total service revenues	20 879	21 236	84 828
Other revenues	448	345	1 583
Total revenues	27 009	27 518	110 241

Organic gross profit

Organic gross profit is defined as gross profit adjusted for the effects of acquisition and disposal of operations and currency effects. 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 million	First quarter		Change first quarter	
	2022	2021	2022	Change YoY
Gross profit	19 836	20 207	(371)	-1.8 %
Impact using exchange rates for 2022	-	(376)	376	
M&A	-	(54)	54	
Organic gross profit	19 836	19 777	59	0.3 %

NOK in million	First quarter		Change first quarter	
	2021	2020	2021	Change YoY
Gross profit	20 207	21 967	(1 760)	-8.0 %
Impact using exchange rates for 2021	-	(1 048)	1 048	
Organic gross profit	20 207	20 919	(712)	-3.4 %

With effect from 2022, the organic gross profit is adjusted for the effects of acquisition and disposals in addition to currency effects. The change in the definition from currency adjusted gross profit in 2021 to organic gross profit in 2022 is made for consistency with organic revenues and organic EBITDA, without restating 2021 for the effects of acquisition and disposals.

Organic operating expenses (opex)

Organic operational expenses are defined as operational expenses adjusted for the effects of acquisition and disposal of operations and currency effects. 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 million	First quarter		Change first quarter	
	2022	2021	2022	Change YoY
Operational expenses	8 176	7 998	178	2.2 %
Impact using exchange rates for 2022	-	(175)	175	
M&A	-	(3)	3	
Organic operational expenses	8 176	7 820	356	4.6 %

NOK in million	First quarter		Change first quarter	
	2021	2020	2021	Change YoY
Operational expenses	7 998	8 967	(969)	-10.8 %
Impact using exchange rates for 2021	-	(389)	389	
Organic operational expenses	7 998	8 578	(580)	-6.8 %

With effect from 2022, the organic operational expenses are adjusted for the effects of acquisition and disposals in addition to currency effects. The change in the definition from currency adjusted operational expenses in 2021 to organic operational expenses in 2022 is made for consistency with organic revenues and organic EBITDA, without restating 2021 for the effects of acquisition and disposals.

EBITDA before other income and other expenses and EBITDA margin

Earnings before interest, tax, depreciation and amortisation (EBITDA) is a key financial parameter for Telenor. EBITDA before other income and other expenses is defined as EBITDA excluding other income and other expenses, such as gains and losses on disposals of property, plant and equipment (PPE) and operations, workforce reductions, onerous contracts and outcome from legal settlements that are of special or structural nature. EBITDA before other income and expenses is reconciled in the section Group overview. EBITDA margin is defined as EBITDA before other income and expenses 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.

EBITDA margin

NOK in million	First quarter		Year
	2022	2021	2021
Total revenues	27 009	27 518	110 241
EBITDA before other items	11 660	12 209	49 162
EBITDA margin	43.2 %	44.4 %	44.6 %

Organic EBITDA

Organic EBITDA growth is defined as EBITDA (before other income and other expenses) 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 million	First quarter		Change first quarter	
	2022	2021	2022	Change YoY
EBITDA	11 660	12 209	(549)	-4.5%
Impact using exchange rates for 2022	-	(201)	201	
M&A	-	(51)	51	
Organic EBITDA	11 660	11 957	(297)	-2.5%

NOK in million	First quarter		Change first quarter	
	2021	2020	2021	Change YoY
EBITDA	12 209	13 000	(791)	-6.1%
Impact using exchange rates for 2021	-	(659)	659	
M&A	-	(37)	37	
Organic EBITDA	12 209	12 304	(95)	-0.8%

Capital expenses

Capital expenses (capex) are derived from the balance sheet and consist of investments in property, plant and equipment (PPE), intangible assets and licences and spectrum as part of right-of-use assets. 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 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 licences and spectrum as part of right-of-use assets in the cash flow statement.

Capex excluding licences and spectrum is relevant to users to measure the level of underlying investments. Historically, licence and spectrum investments have varied significantly between reporting periods.

Reconciliation

NOK in million	First quarter		Year
	2022	2021	2021
Purchases of PPE, intangible assets and prepayments for right-of-use assets	4 491	5 702	19 447
Working capital and other changes	(120)	(1 544)	1 746
Deferred licence obligations	900	127	1 340
Less:			
Discontinued operations	(3)	(60)	(188)
Capex	5 268	4 224	22 345
Licence and spectrum acquisition	(1 085)	(539)	(4 403)
Capex excl. licence and spectrum	4 183	3 685	17 942
Total revenues	27 009	27 518	110 241
Capex excl. licence and spectrum/Revenues (%)	15.5 %	13.4 %	16.3 %
Total Capex/Revenues (%)	19.5 %	15.4 %	20.3 %

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.

NOK in million	First quarter		Year
	2022	2021	2021
Capital expenses	5 268	4 224	22 345
Investments in businesses	107	191	392
Investments	5 375	4 415	22 737

Net interest-bearing debt excluding licence obligations (Net debt)

Net debt is derived from the balance sheet and 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 million	31 March 2022	31 December 2021	31 March 2021
Non-current interest-bearing liabilities	85 291	87 811	93 303
Non-current lease liabilities	27 862	28 101	30 199
Current interest-bearing liabilities	9 041	9 276	6 037
Current lease liabilities	6 628	6 977	9 533
Less:			
Cash and cash equivalents	(20 798)	(15 223)	(22 785)
Hedging instruments	(510)	(1 071)	(1 785)
Financial instruments	(311)	(327)	(342)
Adjustments:			
Non-current licence obligations	(12 651)	(12 496)	(12 826)
Current licence obligations	(2 121)	(2 264)	(3 413)
Net interest-bearing debt excluding licence obligations	92 431	100 783	97 923

Net debt/EBITDA

Telenor measures leverage as the ratio of Net debt/ EBITDA before other items. This ensures consistency with our alternative performance measure organic EBITDA growth, which is also based on EBITDA before other items, and our external guiding for this parameter. Further, this

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 Net debt/EBITDA before other items 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. The 12 months rolling EBITDA before other items for the period ending 31 March 2021 include EBITDA contribution from Telenor Myanmar.

NOK in million	First quarter		Year
	2022	2021	2021
Net debt	92 431	97 923	100 783
EBITDA before other items	48 612	55 428	49 162
Net debt/EBITDA before other items	1.9	1.8	2.1

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 our 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 us and investors to evaluate Telenor's liquidity and cash generated by our 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 our measure of free cash flow may not be directly comparable to similar titled measures used by other companies.
- These measures are used for management planning, reporting and incentive purposes.

A reconciliation of net cash flow from operating activities and net cash flow from investing activities to free cash flow and free cash flow before M&A activities is provided in the table below.

Reconciliation

NOK in million	First quarter		Year
	2022	2021	2021
Net cash flows from operating activities	9 414	10 834	42 272
Net cash flows from investing activities	(3 086)	(4 718)	(17 228)
Payments of lease liabilities related to spectrum licences	(873)	(378)	(2 871)
Payments of lease liabilities related to other lease contracts	(1 445)	(1 396)	(5 954)
Repayments of borrowings - supply chain financing	(96)	(210)	(1)
Dividends paid to and purchase of shares from non-controlling interest	(325)	(299)	(3 551)
Free cash flow	3 589	3 834	12 668
M&A activities	1 155	842	1 653
Free cash flow before M&A activities	2 434	2 992	11 015

Return On Capital Employed (ROCE)

When evaluating different financial metrics before making an investment, the Group also considers the return on capital employed. 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 million	First quarter		Year
	2022	2021	2021
Operating profit	22 677	27 458	21 506
Share of net income (loss) including gains/losses from associated companies and joint ventures	(511)	(305)	(459)
Income taxes	(3 031)	(7 447)	(5 740)
A - Earnings	19 136	19 706	15 307
Total equity as of beginning of the period	39 484	47 913	43 918
Net interest-bearing debt including licence obligations as of beginning of the period	114 161	140 477	127 485
Net pension obligations as of beginning of the period	2 552	3 306	2 747
B - Total capital employed as of beginning of the period	156 197	191 696	174 150
Total equity as of end of the period	39 398	39 484	31 500
Net interest-bearing debt including licence obligations as of end of the period	107 204	114 161	115 543
Net pension obligations as of end of the period	2 355	2 552	2 429
C - Total capital employed as of end of the period	148 957	156 197	149 472
D - Average capital employed before adjustments (D=(B+C)/2)	152 577	173 946	161 811
E - Adjustment for Telenor Myanmar and Canal Digital	76	8 095	5 756
F - Average capital employed (F=D-E)	152 500	165 852	156 055
G - Return on capital employed (G=A/F)	13%	12%	10%

Additional information

Fully owned Nordic tower businesses

We have established tower businesses in the Nordics. The financial and operational information for the fully owned Nordic tower businesses is included in this section.

Revenues from Telenor's fully owned tower businesses in Norway, Sweden and Finland amounted to NOK 760 million in the quarter, whereof 79% was from anchor tenants. Total EBITDA after lease was NOK 340 million, of which Telenor Infra represented 73%.

Excluding the sites in the joint operations, there are 16 000 mobile sites (ground-based towers, rooftops, and other mobile sites) and 5 500 other sites. Mobile tenancy ratio was 1.62 on average in the quarter.

In addition to the fully owned Nordic tower businesses, Telenor has joint operations in Sweden, Denmark and Finland, which includes another 10 000 mobile sites.

	First quarter
NOK in million	2022
Revenues ^{*)}	
Telenor Infra	589
Telenor Tower Sweden	68
DNA Tower	103
Total	760

EBITDA (boi) after lease ^{*)}	
Telenor Infra	247
Telenor Tower Sweden	31
DNA Tower	62
Total	340

Statistics:

Total number of sites ^{*)}	21 491
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Number of mobile sites ^{*)}	
Telenor Infra	10 951
Telenor Tower Sweden	1 688
DNA Tower	3 352
Total	15 991

Mobile tenancy ratio ^{*)}	
Telenor Infra	1.6
Telenor Tower Sweden	2.2
DNA Tower	1.4

Number of mobile sites in joint	10 000
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^{*)}Excluding joint operations.

Telenor Group - Selected ESG indicators

Climate and Environment and Digital skills are defined as key focus areas for Telenor Group to drive positive impact in the coming years.

As a provider of digital telecommunication services, Telenor enables its customers to reduce their emissions, e.g. by reducing the need for travelling. At the same time, Telenor aims to reduce its own emissions, with global climate ambitions established in 2019. The targets of becoming carbon neutral in the Nordics and a 50% reduction of carbon emission in Asia by 2030 were accepted by the Science-Based Targets initiative in 2021. To address Scope 3 emissions, the target is to get 68% of suppliers by spend to set their own science-based targets by 2025. The main mechanism to reduce the emissions for scope 1 and 2 is to increase the share of renewable electricity to run our networks by replacing diesel generators with solar based energy supply units or indirectly from purchased electricity, either through securing Energy Attribute Certificates or long-term Power Purchase Agreements, as well as continuously exploring the potential for reduction of energy consumption levels. In 2021, the reduction of absolute Scope 1 and 2 GHG emissions from global operations were reduced by 8% from baseline year 2019, and 28.5% of supplier spend was covered by science-based targets. 83% of e-waste was reused and 17% of e-waste recycled.

The ambition within *Digital Skills* is to become an inclusive partner in building future skills for an accelerated digital future. From our position as a digital telco with mass market reach and a commitment to reducing inequalities and inclusion, Telenor aims to contribute to societies in providing future digital skills. This company-wide priority is adapted to local needs and the company engages with relevant local and global partners to provide relevant training and to reach its audiences. In 2021, more than 820 000 digital birth registrations were made and more than 850 000 children were trained in online safety.

Telenor continues its efforts in responsible business conduct by ensuring continuous improvement and building on the strong track record also within the areas of Human Rights, Diversity and Inclusion, Health, Safety, People Security and Wellbeing, Supply Chain Sustainability, Anti-Corruption, Data Privacy Compliance and Cyber Security.

Selected ESG indicators with status as of first quarter 2022 and 2021 is available in the appended table.

For more information about Telenor Group's ESG and Sustainability reporting please see our [Annual report](#), [SASB report 2021](#), or our website <https://www.telenor.com/sustainability/>

Key ESG indicator	2021	Q1 2022
Reduction of absolute scope 1 and 2 GHG emissions from global operations (baseline year 2019)	8%	8% (2021)*
Number of people trained in digital skills	856 290	76 280
Mobile internet users (% of active data users)	58.3%	58.5%
Number of Health, Safety and Security CARE cards (unsafe acts, unsafe conditions)	N/A**	580
Woman in the workforce	38%	38%

* This indicator is only calculated on a yearly basis following an annual validation process

** New indicator



First quarter 2022

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