

Q2 – 2022

Interim report
April – June 2022

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Solid mobile growth

In the second quarter, we deliver performance in line with our expectations with a 2% growth in service revenues and stable EBITDA. The headwind from copper decommissioning in Norway, high energy prices globally and expenses related to the ongoing strategic projects are compensated by positive items this quarter.

Halfway into 2022, we see businesses and consumers increasingly wanting to protect their digital assets, driving demand for our security services in the Nordic region. I am pleased to see that Telenor continues to be an attractive partner in our customers digitalisation journey.

The quarter demonstrated solid mobile performance. In the Nordics, this is driven by required price adjustments to compensate for the inflationary environment, and continued demand for services on top of connectivity. Our mobile network in Norway has once again been confirmed as the fastest network in the country.

In Asia, an important milestone was reached this quarter as we received regulatory approval for the merger between Celcom and Digi in Malaysia.

Based on the performance in the first half of the year, for 2022 we expect low single digit growth in organic service revenues, organic EBITDA around 2021 level, and a capex to sales ratio of 16-17%.

– Sigve Brekke, President and CEO



Key figures Telenor Group

NOK in million	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
Revenues	28 036	27 158	55 046	54 675	110 241
Organic revenue growth (%)	2.2	3.5	1.4	1.4	1.2
Service revenues	21 667	21 033	42 546	42 268	84 828
Organic service revenue growth (%)	1.5	1.9	0.9	(0.7)	(0.1)
EBITDA before other income and other expenses	12 501	12 353	24 161	24 562	49 162
Organic EBITDA growth (%)	0.3	3.6	(1.1)	1.4	(0.2)
EBITDA before other income and other expenses/Revenues (%)	44.6	45.5	43.9	44.9	44.6
Net income attributable to equity holders of Telenor ASA	(1 113)	2 188	5 457	(1 701)	1 528
Capex excl. licences and spectrum	4 742	4 377	8 925	8 063	17 942
Total Capex	6 413	6 073	11 681	10 298	22 345
Free cash flow before M&A	930	2 126	3 364	5 117	11 015
Total Free cash flow	856	2 121	4 446	5 955	12 668
Mobile subscriptions - Change in quarter/Total (mill.)	2.0	1.7	175.0	170.3	172.2

Second quarter summary¹⁾

- Total reported revenues were NOK 28.0 billion which is an increase of NOK 0.9 billion compared to the same period last year. Service revenues increased by 1.5% on an organic basis.
- Reported opex increased by NOK 0.3 billion. Organic opex increased by NOK 0.2 billion, positively impacted by NOK 0.4 billion relating to items in Norway and Thailand.
- Reported EBITDA before other items was NOK 12.5 billion which is an increase of 1.2%. Organic EBITDA increased by 0.3% including NOK 0.6 billion relating to three positive items in Norway, Thailand and Other units.
- Capex excluding licences and spectrum fees was NOK 4.7 billion, yielding a capex to sales ratio of 17%.
- An impairment loss of NOK 2.5 billion was recognised related to Pakistan as a consequence of deteriorating macro-economic situation and adverse ruling of Supreme Court in the licence renewal case, see note 2.
- Net income attributable to equity holders of Telenor ASA was negative NOK 1.1 billion for the quarter. Net income was impacted by currency losses of NOK 2.3 billion and the impairment related to Pakistan.
- Total free cash flow was NOK 0.9 billion for the quarter.
- In May, Telenor ASA paid the first tranche of the dividend for 2021 of NOK 7.0 billion or NOK 5.0 per share
- Leverage increased to 2.2x from 1.9x at the end of the previous quarter mainly as a result of dividend payment and negative currency effects.

¹⁾ Please refer to page 30 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. During the second quarter, 10 years Power Purchase Agreements were signed for our operations in Norway and Denmark. The energy for our Norwegian operation will be generated by a wind park in Sweden, and in Denmark solar energy will power the operations of our shared network with Telia. For more information about ESG, please see additional information on page 38.

Macroeconomic development – currency exchange rates

The strengthening of US Dollar against Norwegian Krone and weakening of Norwegian Krone against other currencies has had an impact of approximately 0.1x increase in the leverage and net currency losses of NOK 2.3 billion in the second quarter. Reported revenues and EBITDA before other items were positively impacted by NOK 0.2 billion and NOK 0.1 billion, respectively.

Outlook for 2022

Financial performance in the first half of the year was negatively affected by copper decommissioning in Norway, high energy prices and tough competition in Thailand, as well as costs related to strategic projects.

As previously communicated, we expect EBITDA growth to lag the revenue development with a few quarters. In the second quarter, we have implemented initiatives, both on revenue and EBITDA, which are expected to contribute to performance in the second half of the year. However, we acknowledge the increased global uncertainty including high inflation and a continuation of high energy prices.

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

¹⁾ Please refer to page 30 for Definitions and descriptions of Alternative Performance Measures.

Group performance in the second quarter 2022¹⁾

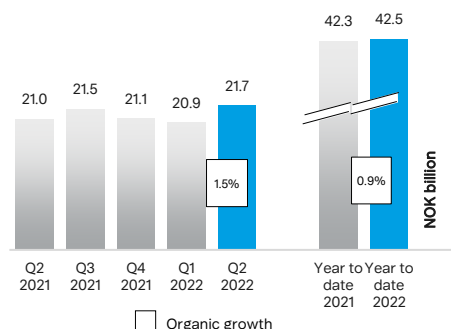
SERVICE REVENUES

Reported service revenues increased by 3%. On an organic basis, service revenues increased by 2%.

In Norway, the growth in mobile ARPU continued, driven by increasing demand for value-added services and speed-based products as well as higher roaming revenues. Revenues from fibre and fixed wireless access products continued to grow, partly offsetting the decline in fixed legacy revenues. In Sweden, growth was driven by larger subscriber base, and higher revenues from roaming and value-added services. In Denmark, rising demand for higher value tariffs and value-added services as well as higher roaming revenues contributed to the service revenue growth. In Finland, the positive momentum continued with growth in both subscribers and ARPU in mobile and fixed segments.

In Asia, larger subscriber bases and increasing data usage contributed to the service revenue growth in Bangladesh and Pakistan. In Thailand, service revenues declined from the on-going aggressive competition and related pressure on ARPU.

Year to date, reported service revenues increased by 0.7% and organic service revenues grew by 0.9%. Growth in mobile and non-legacy fixed services in the Nordics, Grameenphone and Pakistan was partly offset by decline in fixed legacy revenues in Norway and reduced revenues in Thailand and Malaysia.

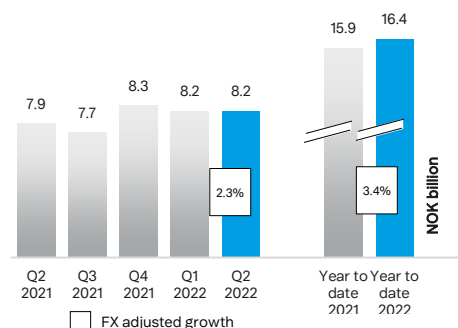


OPERATING EXPENSES (OPEX)

Reported opex increased by NOK 0.3 billion in the quarter. Organic opex increased by NOK 0.2 billion, or 2%.

During the quarter, opex was positively affected by a compensation in the regulatory cost in Thailand of NOK 0.3 billion and adjustment in the handset swap programme in Norway of NOK 0.1 billion. Adjusted for these two items, organic opex increased by NOK 0.6 billion. The increase was mainly driven by higher activity levels including on-going mergers in Malaysia and Thailand, and other strategic projects as well as increased energy prices.

Year to date, opex increased by NOK 0.5 billion, or 3% on both organic and reported bases. Adjusted for the above-mentioned two positive items, organic opex increased by NOK 0.9 billion. The increase was mainly related to higher activity levels and increased energy prices.



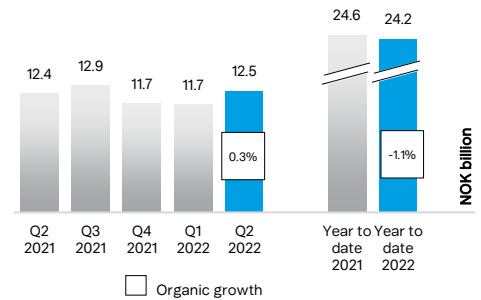
¹⁾ The comments are related to Telenor's development in the second quarter of 2022 compared to the second quarter of 2021 and are based on current Group structure unless otherwise stated. Please refer to page 30 for Definitions and descriptions of Alternative Performance Measures.

EBITDA BEFORE OTHER INCOME AND OTHER EXPENSES (EBITDA)

Reported EBITDA increased by NOK 0.1 billion. Organic EBITDA increased by 0.3%.

Mobile service revenue growth contributed positively to the overall EBITDA development, which was more than offset by the reduced contribution from copper revenues in Norway, and increased opex as a result of higher activity levels including corporate activities. Reduced copper revenues in Norway as the copper network now is in the final year of decommissioning, increased corporate activities and energy cost are estimated to have had a negative effect on the EBITDA growth of around 4 percentage points. During the quarter, EBITDA was positively affected by a contract settlement in Other units, the compensation in regulatory cost in Thailand and adjustment in the handset swap programme in Norway.

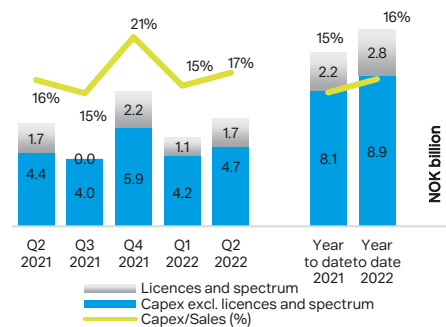
Year to date, reported EBITDA decreased by NOK 0.4 billion, while the organic EBITDA decreased by 1.1%. The positive contribution from mobile service revenue growth on overall basis and the aforementioned three positive items were more than offset by the reduced contribution from copper revenues, increased activity levels and increased energy prices.



CAPITAL EXPENSES (CAPEX)

Capex excluding licences and spectrum was NOK 4.7 billion, which corresponds to a capex to sales ratio of 17%. So far this year, the capex amounted to NOK 11.7 billion, driven by the 5G roll-out in the Nordics, fibre investments in Norway and network investments in Thailand.

For the first half of the year, licenses and spectrum fees of NOK 2.8 billion include NOK 1.7 billion related to additional spectrum fee pursuant to the Supreme Court of Pakistan ruling, see note 7 for more information.

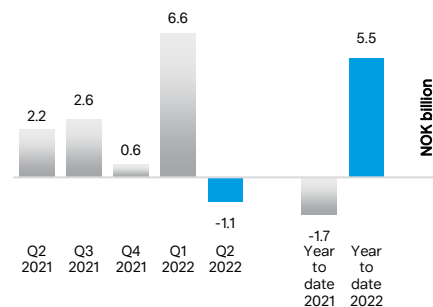


¹⁾ The comments are related to Telenor's development in the second quarter of 2022 compared to the second quarter of 2021 and are based on current Group structure unless otherwise stated. Please refer to page 30 for Definitions and descriptions of Alternative Performance Measures.

NET INCOME

Net income attributable to equity holders of Telenor ASA in the second quarter was negative NOK 1.1 billion, which is a decrease of NOK 3.3 billion compared to the same period last year. The decrease was primarily caused by the impairment of Telenor Pakistan of NOK 2.5 billion and higher currency losses of NOK 1.8 billion mainly due to appreciation of USD against Norwegian Krone. In addition, net income was negatively impacted by increased provision of NOK 0.9 billion related to claims in India for the period when Telenor owned the business.

Year to date, net income to equity holders of Telenor ASA was NOK 5.5 billion, which is an increase of NOK 7.2 billion. The impairment of Telenor Pakistan and the increased provision related to claims in India were more than offset by gain on disposal of fixed non-core assets in Sweden of NOK 1.7 billion and reversal of NOK 2.5 billion tax expense in Norway related to India guarantee this year. Further, last year net income attributable to equity holders was negatively impacted by NOK 6.5 billion impairment of Telenor Myanmar.

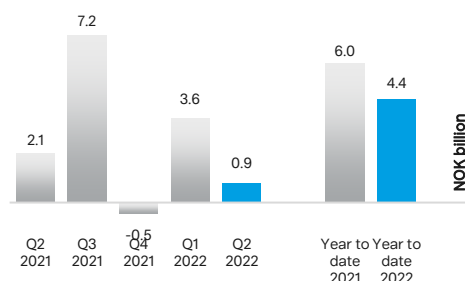


FREE CASH FLOW

The Group ended the second quarter with a total free cash flow of NOK 0.9 billion.

Free cash flow before M&A was NOK 0.9 billion, which is a decrease of NOK 1.2 billion. The decrease was primarily driven by higher capex payments and negative working capital changes.

Year to date, total free cash flow was NOK 4.4 billion including cash flow from M&A of NOK 1.1 billion. Cash flow before M&A was NOK 3.4 billion, which is a decrease of NOK 1.8 billion compared to the same period last year primarily due to negative working capital changes. Cash flow from M&A activities this year included 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.

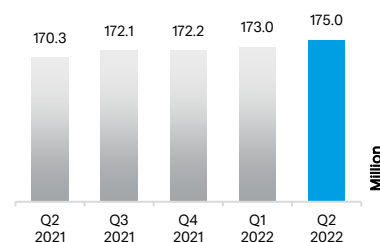


MOBILE SUBSCRIPTIONS

The Group's mobile subscription base increased by 2.0 million and stood at 175 million at the end of the quarter.

In Asia, all business units increased their subscriber bases with Grameenphone in Bangladesh being the main contributor adding 0.9 million subscribers. Telenor Pakistan ended the quarter increasing subscriber base by 0.3 million. dtac in Thailand and Digi in Malaysia continued to grow their subscriber bases, adding 0.4 million and 0.3 million, respectively.

In the Nordics, our operations in Sweden and DNA increased their subscriber bases, with total 30 000 and 31 000 subscriptions, respectively. Denmark added 2 000 subscribers, while Norway ended the quarter with a decline of 2 000.



¹⁾ The comments are related to Telenor's development in the second quarter of 2022 compared to the second quarter of 2021 and are based on current Group structure unless otherwise stated. Please refer to page 30 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 second quarter of 2022 compared to the second quarter of 2021, unless otherwise stated. Please refer to Definitions on page 30 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 13 for 'Specification of other income and other expenses. Additional information is available at: www.telenor.com/ir

Norway

In Norway, we continue to see good progress on our modernisation journey. Our 5G network now covers more than 50% of the population and has once again been confirmed by Ookla as the fastest mobile network in Norway. The copper decommissioning is running according to the plan, with only 42 000 retail phone and internet subscribers remaining to be migrated to new solutions by the end of 2022.

Mobile ARPU grew by 4%, mainly from increased roaming and continued strong demand for value-added services and speed-based products. Mobile postpaid subscriptions increased by 3 000. Mobile service revenues increased by 3%.

The growth within fixed non-legacy services continued, with an increase of 4 000 in fibre subscriptions and 5 000 in fixed wireless access subscriptions. Fixed non-legacy service revenues increased by 7%, partly compensating for the decline in copper revenues which is now at its peak.

Total service revenues decreased by 1%. Excluding fixed legacy revenues, service revenues increased by 4%.

Opex decreased by 1% but increased by 4% adjusted for non-recurring items including positive adjustment in the handset swap programme. The underlying increase was mainly due to higher activity levels and personnel related costs, partly offset by lower fault correction costs. EBITDA was stable but decreased by 7% adjusted for a reclassification of part of energy cost to internal lease assets and non-recurring items. The decrease in EBIT was due to severance packages and higher depreciations.

Capex increased by 11% mainly due to network modernisation, including rollout of 5G and fibre.

NOK in million	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
Revenues mobile operation					
Mobile subscription and traffic	2 860	2 787	5 630	5 545	11 210
Other mobile services	117	109	232	227	463
Total mobile service revenues	2 978	2 895	5 862	5 771	11 673
Wholesale and other mobile	340	285	648	545	1 161
Non-mobile	701	589	1 311	1 188	2 518
Total revenues mobile operation	4 018	3 769	7 821	7 505	15 353
Telephony	71	154	171	316	572
Internet and TV	1 724	1 752	3 429	3 500	7 036
Other fixed services	148	151	284	296	588
Total fixed service revenues	1 943	2 057	3 884	4 112	8 195
Hardware	26	37	68	100	243
Wholesale and broadcasting	370	416	731	840	1 571
Total revenues fixed operation	2 339	2 509	4 684	5 052	10 009
Total service revenues	4 921	4 952	9 746	9 884	19 869
Total revenues	6 357	6 278	12 505	12 557	25 362
Gross profit	4 968	4 983	9 782	9 935	19 910
Operating expenses	(1 838)	(1 848)	(3 650)	(3 670)	(7 152)
EBITDA before other items	3 130	3 135	6 132	6 265	12 758
Operating profit	1 126	1 410	2 356	2 855	4 987
EBITDA before other items/Total revenues (%)	49	50	49	50	50
Capex excl. Licences and Spectrum	1 549	1 390	2 944	2 486	5 515
Statistics (monthly in NOK):					
Mobile ARPU	362	348	356	344	350
Fixed Internet ARPU	496	439	496	438	447
TV ARPU	372	350	359	343	349
No. of subscriptions - Change in quarter/Total					
Mobile	(2)	(24)	2 733	2 765	2 746
Fixed Internet*	(13)	(11)	739	769	743
TV	(6)	(10)	546	575	562

*23 000 fixed internet subscriptions not previously included have been added from 2022. Adjusted for this, the fixed internet ARPU increases 4% compared to same quarter last year.

Sweden

In Sweden, the mobile subscriber base increased by 30 000 with a good pace in both main brand consumer and business segments. At the end of the quarter, the mobile subscriber base was 3% larger than at the same period last year. Service revenues increased by 2% as a result of the larger subscriber base, as well as higher revenues from roaming and value-added services. In May, Telenor Sweden launched their new mobile portfolio and brand concept in both SME and consumer main brand segments, followed by a launch in fighter-brand Vimla during early June. This has been well received in the market and the aim is to increase upsell and customer commitment going forward.

Opex increased by 7%, mainly due to higher subscriber acquisition activity and additional marketing cost due to launch of new marketing concept. EBITDA remained stable, as increased service revenues were offset by higher opex and energy cost.

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

NOK in million	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
Revenues mobile operation					
Mobile subscription and traffic	1 351	1 378	2 656	2 740	5 480
Other mobile services	61	59	118	108	233
Total mobile service revenues	1 412	1 437	2 774	2 847	5 713
Wholesale and other mobile	170	160	327	315	657
Non-mobile	534	449	1 068	980	2 106
Total revenues mobile operation	2 116	2 046	4 168	4 142	8 476
Telephony	25	32	52	66	125
Internet and TV	721	745	1 425	1 499	2 992
Other fixed services	40	29	71	68	158
Total fixed service revenues	787	805	1 548	1 633	3 276
Wholesale and broadcasting	9	91	43	179	355
Total revenues fixed operation	796	897	1 591	1 812	3 631
Total service revenues	2 199	2 242	4 322	4 480	8 989
Total revenues	2 912	2 943	5 759	5 954	12 107
Gross profit	1 848	1 950	3 646	3 851	7 786
Operating expenses	(865)	(847)	(1 688)	(1 684)	(3 352)
EBITDA before other items	982	1 103	1 958	2 166	4 434
Operating profit	391	489	2 447	917	1 777
EBITDA before other items/Total revenues (%)	33.7	37.5	34.0	36.4	36.6
Capex excl. Licences and Spectrum	394	295	709	560	1 504
Statistics (monthly in NOK):					
Mobile ARPU	169	176	167	176	176
Fixed Internet ARPU	226	231	223	233	233
TV ARPU	130	140	129	141	141
No. of subscriptions - Change in quarter/Total (in thousands):					
Mobile	30	22	2 885	2 814	2 818
Fixed Internet	(4)	1	696	695	698
TV*	(1)	(1)	484	479	470
Exchange rate (NOK/SEK, average for the period)	-	-	0.9526	1.0040	1.0013

*9 000 OTT subscriptions not previously included, have been added from 2022

Denmark

Telenor Denmark's focused growth agenda resulted in service revenues growth of 5% on an underlying basis, driven by rising demand for higher value tariffs and value-added services as well as higher revenues from roaming. Reported service revenues in local currency increased by 7% including a reclassification.

Opex increased by 2% mainly due to higher activity level. EBITDA decreased by 2% due to higher energy prices and traffic cost as well as higher opex.

Capex this year is mainly related to the ongoing network modernisation.

NOK in million	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
Revenues mobile operation					
Mobile subscription and traffic	717	713	1 418	1 443	2 903
Other mobile services	58	19	114	41	83
Total mobile service revenues	776	732	1 532	1 483	2 985
Wholesale and other mobile	147	132	289	250	608
Non-mobile	289	268	581	577	1 251
Total revenues mobile operation	1 211	1 132	2 402	2 310	4 844
Telephony	20	23	41	54	97
Internet and TV	109	98	212	196	405
Total fixed service revenues	129	121	253	250	502
Total revenues fixed operation	129	121	254	250	502
Total service revenues	904	853	1 786	1 733	3 487
Total revenues	1 340	1 253	2 655	2 560	5 346
Gross profit	768	771	1 536	1 561	3 131
Operating expenses	(422)	(418)	(840)	(844)	(1 717)
EBITDA before other items	346	354	696	717	1 413
Operating profit	110	112	232	212	434
EBITDA before other items/Total revenues (%)	25.8	28.2	26.2	28.0	26.4
Capex excl. Licences and Spectrum	145	117	311	201	683
Statistics (monthly in NOK):					
Mobile ARPU	159	154	158	156	159
Fixed Internet ARPU	285	269	281	271	277
No. of subscriptions - Change in quarter/Total (in thousands):					
Mobile	2	3	1 655	1 683	1 646
Fixed Internet	1	1	118	111	114
Exchange rate (NOK/DKK, average for the period)	-	-	1.3416	1.3678	1.3661

DNA - Finland

In Finland, service revenues continued to develop positively with a growth of 3% due to higher ARPU and larger subscriber bases in both mobile and fixed segments.

The mobile subscription base increased by 31 000. Mobile ARPU improved by 1% as a result of successful upsell to high value tariffs as well as price adjustments towards the end of the quarter. In fixed broadband, another 10 000 connections were added, bringing the subscription base to 625 000, which is 5% larger than the same period last year. Fixed broadband ARPU improved by 2% as a result of successful upselling to higher speeds.

Opex increased by 3% mainly as a consequence of higher energy cost, network modernisation and Group charges. Reported EBITDA increased by 2%. Adjusted for higher Group charges this year, EBITDA improved by 3% mainly due to higher service revenues.

Capex in the quarter was mainly supporting the ongoing network modernisation programme. The 5G population coverage reached 70% at the end of the quarter.

NOK in million	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
Revenues mobile operation					
Mobile subscription and traffic	1 321	1 288	2 608	2 590	5 207
Other mobile services	29	26	56	51	106
Total mobile service revenues	1 350	1 314	2 665	2 641	5 313
Wholesale and other mobile	110	118	218	236	473
Non-mobile	428	440	857	875	1 742
Total revenues mobile operation	1 888	1 872	3 740	3 752	7 527
Telephony	34	42	70	85	166
Internet and TV	415	397	806	789	1 596
Other fixed services	60	62	119	131	268
Total fixed service revenues	509	501	995	1 006	2 030
Wholesale and broadcasting	44	44	83	83	155
Total revenues fixed operation	553	545	1 078	1 089	2 185
Total service revenues	1 859	1 815	3 660	3 646	7 342
Total revenues	2 442	2 417	4 818	4 840	9 712
Gross profit	1 848	1 815	3 635	3 648	7 241
Operating expenses	(924)	(905)	(1 801)	(1 784)	(3 596)
EBITDA before other items	924	909	1 834	1 864	3 645
Operating profit	271	242	533	533	993
EBITDA before other items/Total revenues (%)	37.8	37.6	38.1	38.5	37.5
Capex excl. Licences and Spectrum	355	358	574	574	1 625
Statistics (monthly in NOK):					
Mobile ARPU	173	172	172	173	173
Fixed Internet ARPU	167	165	165	164	166
TV ARPU	89	75	81	74	76
No. of subscriptions - Change in quarter/Total (in thousands):					
Mobile	31	12	2 719	2 695	2 699
Fixed Internet	10	4	625	595	603
TV	(10)	(9)	240	275	262
Exchange rate (NOK/EUR, average for the period)	-	-	9.9813	10.1717	10.1598

dtac - Thailand

In Thailand, dtac's mobile subscription base increased by 412 000 this quarter. As a consequence of intense competition and decrease in revenue related to international outgoing calls, ARPU remained under pressure and the service revenues declined by 3%.

Opex decreased by 19% mainly due to regulatory claim for compensation of filter cost for interference prevention of 900 MHz spectrum. Excluding the regulatory compensation and cost related to the planned amalgamation of dtac and True, opex increased by 1%. Continued strategic focus on efficiency was more than offset by higher sales and marketing cost and increased bad debt expense.

EBITDA increased by 3% as the revenue decline was more than offset by lower opex. Excluding the regulatory compensation, the cost related to the amalgamation, and one-time effect last year, EBITDA decreased by 6%.

Capex in the quarter was mainly related to network roll-out and capacity expansion. At the end of the quarter, the 700 MHz roll-out includes 17 800 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 merger is progressing according to the plan and is expected to be completed within 2022.

NOK in million	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
Revenues mobile operation					
Mobile subscription and traffic	3 789	3 798	7 458	7 760	15 093
Other mobile services	29	23	60	46	109
Total mobile service revenues	3 818	3 821	7 518	7 806	15 202
Wholesale and other mobile	85	104	174	205	411
Non-mobile	1 567	1 410	3 170	3 092	6 265
Total revenues mobile operation	5 471	5 335	10 862	11 102	21 878
Total service revenues	3 818	3 821	7 518	7 806	15 202
Total revenues	5 471	5 335	10 862	11 102	21 878
Gross profit	3 231	3 317	6 367	6 726	12 997
Operating expenses	(966)	(1 159)	(2 179)	(2 466)	(4 930)
EBITDA before other items	2 264	2 158	4 188	4 260	8 067
Operating profit	530	670	958	1 199	1 884
EBITDA before other items/Total revenues (%)	41.4	40.5	38.6	38.4	36.9
Capex excl. Licences and Spectrum	918	977	2 010	1 914	3 852
Statistics (monthly in NOK):					
Mobile ARPU	64	68	64	70	67
No. of subscriptions - Change in quarter/Total (in thousands):					
Mobile	412	164	20 278	19 249	19 561
Exchange rate (NOK/THB, average for the period)	-	-	0.2709	0.2741	0.2690

Digi - Malaysia

In Malaysia, Digi's postpaid segment continued to increase and the prepaid segment returned to growth, resulting into net subscriber growth of 271 000. At the end of the quarter, the total subscriber base stood at 10.5 million, which is 3% higher than at the same period last year.

Despite the subscriber growth, service revenues decreased by 1%, due to ARPU pressure in both prepaid and postpaid segments. Total revenues decreased by 5% mainly due to lower device sale.

Opex increased by 5% mainly from higher network and IT cost as well as cost related to the ongoing merger process. EBITDA remained stable as uplift 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.

At the end of second quarter, Digi and Celcom received regulatory clearance to move forward with the proposed merger, and the merger is estimated to be completed within 2022.

NOK in million	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
Revenues mobile operation					
Mobile subscription and traffic	2 749	2 614	5 395	5 305	10 635
Other mobile services	55	35	103	72	154
Total mobile service revenues	2 805	2 649	5 498	5 377	10 789
Wholesale and other mobile	65	69	131	140	286
Non-mobile	464	566	915	1 012	2 062
Total revenues mobile operation	3 334	3 284	6 543	6 528	13 136
Total service revenues	2 805	2 649	5 498	5 377	10 789
Total revenues	3 334	3 284	6 543	6 528	13 136
Gross profit	2 500	2 300	4 909	4 671	9 500
Operating expenses	(887)	(793)	(1 722)	(1 612)	(3 219)
EBITDA before other items	1 613	1 506	3 186	3 058	6 281
Operating profit	924	848	1 839	1 750	3 626
EBITDA before other items/Total revenues (%)	48.4	45.9	48.7	46.8	47.8
Capex excl. Licences and Spectrum	372	394	548	711	1 666
Statistics (monthly in NOK):					
Mobile ARPU	91	87	89	88	88
No. of subscriptions - Change in quarter/Total (in thousands):					
Mobile	271	(33)	10 513	10 217	10 318
Exchange rate (NOK/MYR, average for the period)	-	-	2.1380	2.0603	2.0734

Grameenphone - Bangladesh

In Bangladesh, Grameenphone achieved 6% growth in service revenues driven by the larger subscriber base and increased data usage. Data revenues increased by 21%.

The subscriber base increased by 0.9 million during the quarter. At the end of the quarter, the subscriber base stood at 84.6 million, which is 3% higher than at the same period last year.

Opex increased by 7% mainly due to higher sales and marketing, operations & maintenance and energy costs. The latter is mainly on account of increased energy consumption following deployment of new network sites and traffic increase. EBITDA increased by 4%.

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

NOK in million	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
Revenues mobile operation					
Mobile subscription and traffic	3 820	3 335	7 366	6 648	13 683
Other mobile services	6	7	12	14	27
Total mobile service revenues	3 827	3 342	7 378	6 662	13 710
Wholesale and other mobile	137	131	270	264	541
Non-mobile	60	57	111	103	213
Total revenues mobile operation	4 024	3 531	7 759	7 029	14 464
Total service revenues	3 827	3 342	7 378	6 662	13 710
Total revenues	4 024	3 531	7 759	7 029	14 464
Gross profit	3 728	3 295	7 190	6 559	13 496
Operating expenses	(1 272)	(1 106)	(2 453)	(2 178)	(4 444)
EBITDA before other items	2 456	2 189	4 737	4 382	9 052
Operating profit	1 741	1 558	3 260	3 186	6 403
EBITDA before other items/Total revenues (%)	61.0	62.0	61.1	62.3	62.6
Capex excl. Licences and Spectrum	593	513	996	877	1 745
Statistics (monthly in NOK):					
Mobile ARPU	16	14	15	14	14
No. of subscriptions - Change in quarter/Total (in thousands):					
Mobile	933	1 278	84 653	82 025	83 263
Exchange rate (NOK/BDT, average for the period)	-	-	0.1045	0.0996	0.1011

Pakistan

Telenor Pakistan's service revenues increased by 2% driven by the larger subscriber base and increase in service ARPU through higher subscriber engagement. Data revenues increased by 17%. The strengthening of Norwegian Krone against Pakistani Rupee by 9% has impacted reported figures for 2022 negatively.

During the quarter, 289 000 subscriptions were added. At the end of the quarter, the subscribers base stood at 49.6 million, which is 1% higher than at the same period last year.

Opex increased by 29% mainly due to higher energy prices. EBITDA declined by 15%.

As disclosed in the fourth quarter and annual report of 2021, Telenor Pakistan signed spectrum licence renewal agreement under protest and challenged the principal terms, mainly the increased price, of the agreement in the Supreme Court. The Supreme Court rejected Telenor Pakistan's appeal on 25 May 2022 through a short order, see note 7. Consequently, Telenor Pakistan capitalised NOK 1.7 billion for the additional spectrum fee in the current quarter. As a result of deteriorating macro-economic situation and adverse Supreme Court ruling, an impairment loss of NOK 2.5 billion was recognised in the current quarter, see note 2.

In the recent Finance Act, the corporate income tax rate applicable on Telenor Pakistan has increased by 4 percentage points to 33%.

NOK in million	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
Revenues mobile operation					
Mobile subscription and traffic	1 084	1 190	2 190	2 336	4 621
Other mobile services	5	6	9	13	26
Total mobile service revenues	1 089	1 197	2 199	2 349	4 647
Wholesale and other mobile	161	199	317	397	772
Non-mobile	48	49	94	98	186
Total revenues mobile operation	1 297	1 445	2 610	2 845	5 604
Total service revenues	1 089	1 197	2 199	2 349	4 647
Total revenues	1 297	1 445	2 610	2 845	5 604
Gross profit	1 147	1 268	2 308	2 481	4 890
Operating expenses	(534)	(462)	(1 033)	(935)	(1 915)
EBITDA before other items	613	806	1 275	1 546	2 976
Operating profit	(2 310)	356	(2 064)	657	1 216
EBITDA before other items/Total revenues (%)	47.2	55.8	48.9	54.4	53.1
Capex excl. Licences and Spectrum	151	187	368	472	718
Statistics (monthly in NOK):					
Mobile ARPU	8	10	8	9	9
No. of subscriptions - Change in quarter/Total (in thousands):					
Mobile	289	322	49 548	48 837	49 125
Exchange rate (NOK/PKR, average for the period)	-	-	0.0492	0.0540	0.0528

Other units

Revenues increased by NOK 0.3 billion mainly explained by higher internal revenues in the Norwegian tower business Telenor Infra following increased colocation prices as well as a contract settlement in other businesses.

The increase in operating expenses of NOK 0.1 billion was driven by higher personnel cost and higher corporate activities related to M&A and other strategic projects.

Telenor Infra increased revenues from external customers by 12% due to the increase in colocation energy prices. Telenor Infra operates 11 000 mobile sites with a tenancy ratio of 1.6 and 5 600 other sites.

The IoT provider, Telenor Connexion's, revenues grew by 17% as a result of increased active SIM base, monthly fees as well as growth in traffic levels across the customer base. Revenues were also supported by favourable currency effects. EBITDA grew by 19% as a result of increased revenues.

Telenor Maritime's revenues more than doubled as traffic has returned to pre-pandemic levels in the ferry segment and improvement continued in the cruise segment. EBITDA improved mainly due to higher revenues.

NOK in million	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
Revenues					
Infra	599	427	1 187	862	1 804
Satellite	226	212	445	416	861
Connexion	209	185	402	373	759
Maritime	115	50	193	92	287
Other Businesses	679	612	1 194	1 144	2 238
Corporate Functions	423	444	876	871	1 739
Eliminations	(58)	(52)	(100)	(87)	(173)
Total revenues	2 193	1 877	4 197	3 671	7 518
Operating expenses	(1 040)	(872)	(2 019)	(1 752)	(3 817)
EBITDA before other items					
Infra	296	218	600	431	816
Satellite	153	147	303	286	609
Connexion	63	55	116	117	228
Maritime	12	(11)	7	(28)	(10)
Other Businesses	231	97	328	176	320
Corporate Functions	(179)	(55)	(294)	(124)	(444)
Eliminations	(11)	-	(23)	-	(11)
Total EBITDA before other items	566	451	1 037	857	1 508
Operating profit (loss)					
Infra	115	47	253	109	133
Satellite	76	79	153	154	327
Connexion	57	47	105	103	205
Maritime	(8)	(34)	(36)	(68)	(94)
Other Businesses	222	12	297	64	201
Corporate Functions	(201)	(167)	(356)	(281)	(710)
Eliminations	-	-	-	-	30
Total operating profit (loss)	261	(16)	416	80	92
Capex excl. Licences and Spectrum	266	147	465	268	635
Investments in businesses	1	(2)	108	189	392

Group performance in 2022

The comments below are related to development during first six months of 2022 compared to 2021, unless otherwise stated.

Specification of other income and other expenses

NOK in million	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
EBITDA before other income and other expenses	12 501	12 353	24 161	24 562	49 162
Other income	-	33	-	38	28
Gains on disposals of property, plant and equipment (PPE) and operations	122	52	1 924	58	145
Total other income	122	85	1 924	96	173
Losses on disposals of property, plant and equipment (PPE) and operations	(260)	(199)	(337)	(243)	(499)
Workforce reductions, onerous (loss) contracts and other	(243)	(141)	(417)	(256)	(1 461)
Total other expenses	(502)	(340)	(753)	(499)	(1 960)
EBITDA	12 121	12 098	25 332	24 159	47 375

Total other income this quarter consisted mainly of NOK 93 million related to gain on sale of licenses in Telenor Sweden. Total other expenses consisted mainly of workforce reductions (of which NOK 211 million in Telenor Norway) and NOK 150 million damaged fixed assets in a fire in dtac. In the second quarter last year other expenses consisted mainly of NOK 166 million in adjustments related to sales transactions from previous years in Other units, and workforce reductions (of which NOK 54 million in Grameenphone).

For the first half year 2022, total other income 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 255 million in Telenor Norway and NOK 88 million in Grameenphone) and aforementioned fire in dtac. For the first half year 2021, other expenses consisted mainly of workforce reductions (of which NOK 75 million in Grameenphone, NOK 63 million in Telenor Norway) and the adjustments recognized in the second quarter 2021 related to sales transactions from previous years in Other units.

Impairment Telenor Pakistan

On 25 May 2022, Telenor Pakistan received information that the Supreme Court had concluded the license fee to remain at the level set by the Pakistani Telecommunication Authority. Further, since 31 December 2021 there have been a significant increase in interest rates, country risk premium and market premiums, impacting the Weighted Average Cost of Capital. This, together with a hike in energy prices and increased global inflation, has made the outlook for Telenor Pakistan challenging. As a consequence, the Group has reassessed the value in use of non-current assets in Telenor Pakistan with updated earnings projections. An impairment of NOK 2.5 billion was recognised in the second quarter 2022 related to property, plant and equipment and right-of-use assets in the Telenor Pakistan segment. See Note 2.

Operating profit

For the first half year the reported operating profit decreased by NOK 1.4 billion to NOK 9.9 billion as a result of negative currency development and Telenor Pakistan impairment of NOK 2.5 billion in the quarter, slightly offset by the gain of NOK 1.7 billion on divestment of fixed non-core assets in Sweden.

Associated Companies and Joint Ventures

NOK in million	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
Profit (loss) after taxes	(68)	(166)	(172)	(219)	(480)
Gains (losses) on disposal of ownership interests	-	-	-	-	21
Profit (loss) from associated companies and joint ventures	(68)	(166)	(172)	(219)	(459)

Net loss after tax from associated companies and joint ventures during the second quarter of 2022 was NOK 68 million which mainly consisted of loss after tax in Carousell of NOK 61 million and in Telenor Microfinance Bank of NOK 54 million. This was partly offset by profit after tax in Allente Group AB (Allente) of NOK 64 million. Second quarter of 2021 mainly includes loss after tax from Telenor Microfinance Bank of NOK 68 million, in Carousell of NOK 53 million and in Allente of NOK 16 million.

In the second quarter of 2022, Allente generated revenues of NOK 1.6 billion, a decrease of 6% as compared to the second quarter of previous year. The decrease was mainly driven by negative currency effects and lower DTH customer base, as expected, while the customer base continues to increase within IPTV, OTT and fixed wireless access. EBITDA amounted to NOK 0.3 billion, an increase of 90% as compared to the same quarter last year mainly due to lower restructuring cost for dish turning project in 2022. Telenor's share of dividends declared by Allente during this quarter amounted to NOK 0.1 billion.

In the first half year of 2022, Allente generated revenues and EBITDA of NOK 3.2 billion and NOK 0.5 billion, respectively, compared to NOK 3.4 billion and NOK 0.4 billion, respectively, in the first half year of 2021.

Financial items

NOK in million	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
Financial income	171	132	330	280	566
Financial expenses	(863)	(821)	(1 580)	(1 744)	(3 553)
Net currency gains (losses)	(2 299)	(473)	(2 196)	(3)	(1 066)
Net change in fair value of financial instruments	214	37	463	(41)	84
Net gains (losses and impairment) of financial assets and liabilities	4	-	(1)	4	7
Net financial income (expenses)	(2 774)	(1 124)	(2 984)	(1 505)	(3 962)
Gross interest expenses related to interest-bearing liabilities and lease	(741)	(745)	(1 322)	(1 495)	(2 999)
Net interest expenses	(619)	(656)	(1 096)	(1 302)	(2 616)

Financial expenses in the first half of 2022 includes reversal of interest expense on tax payment related to guarantees in India of NOK 0.2 billion. Net currency losses in the second quarter were NOK 2.3 billion, compared to losses of NOK 0.5 billion last year. The increase was mainly related to liabilities denominated in USD and intercompany loans denominated in SGD. Change in fair value of financial instruments for the first half of 2022 was mainly related to gains from interest rate instruments in USD.

Taxes

The effective tax rate this quarter was negative due to low profit before tax and a reversal of NOK 0.3 billion tax provision after a favourable decision by the Tax Appeal Board in Norway to allow for tax deduction of related losses on loans and guarantees. The effective tax rate for first half of 2022 was also negative, mainly explained by the reversal of NOK 2.5 billion tax expense for the India guarantee for Unitech Wireless (see note 8), non-taxable sales transaction in Telenor Sweden, and by the above mentioned tax effects. Effective tax rate for first half of 2021 was 32%. The effective tax rate for the year is estimated to be around 9%.

Cash flow

Net cash inflow from operating activities during the first half year 2022 was NOK 19.0 billion, a decrease of NOK 1.7 billion compared to 2021 mainly explained by negative effects from changes in working capital.

Net cash outflow to investing activities during the first half year of 2022 was NOK 8.6 billion, a decrease of NOK 0.8 billion compared to 2021. Payments of PPE, intangibles and prepayments of right-of-use assets during the first half year of 2022 were NOK 0.2 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 half year of 2022 was NOK 18.2 billion. This is explained by repayments of lease obligations of NOK 2.7 billion, repayments of licence obligations of NOK 1.5 billion and dividends paid of NOK 8.6 billion (NOK 7 billion paid to Telenor ASA shareholders and NOK 1.6 billion to non-controlling interests).

Cash and cash equivalents decreased by NOK 7.7 billion during the first half to NOK 9.3 billion as of 30 June 2022.

Financial position

During the first half year of 2022, total assets decreased by NOK 1.5 billion to NOK 224.3 billion.

During the first half year of 2022, net debt increased by NOK 5.5 billion to NOK 106.3 billion driven primarily by positive free cashflow adjusted for sale of Telenor Myanmar of NOK 6.1 billion, offset by dividends to equity holders of Telenor ASA of NOK 7.0 billion and negative currency translation effects of approximately NOK 3.9 billion. Interest-bearing liabilities excluding licence obligations decreased by NOK 1.3 billion. Cash and cash equivalents decreased by NOK 5.8 billion.

During the first half year of 2022, total equity decreased by NOK 4.4 billion to NOK 27.1 billion. The decrease was due to dividends to equity holders of Telenor ASA and non-controlling interests of NOK 14.6 billion. This was partially offset by positive net income from total operations of NOK 6.9 billion, impacted by impairment of Telenor Pakistan and 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, pension remeasurement gain (net of tax) of NOK 1.3 billion and positive currency translation effects of NOK 1.0 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.

The Russian invasion of Ukraine in February 2022 has resulted in geopolitical uncertainty and volatility. 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. The risk of cyber-attack further elevated following Sweden and Finland's application to join NATO. The war in Ukraine has generated a sharp increase in energy prices due to shortage of supply. 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. We are following the situation closely and are increasing readiness for potential attacks. 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 continued to recede in Asia during the second quarter 2022 following increased level of vaccination, and the economies gradually reopened.

Currency fluctuations may also influence the reported figures in Norwegian Kroner significantly, see also page 2. 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 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 has been development in several material legal disputes in the second quarter, refer to further information in note 7 *Legal Disputes* and background information in note 34 *Legal Disputes and contingencies* 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.

Fornebu, 18 July 2022
The Board of Directors of Telenor ASA

Interim condensed financial information

Consolidated income statement

Telenor Group

NOK in million	Note	Second quarter		First half year		Year
		2022	2021	2022	2021	2021
Revenues	3	28 036	27 158	55 046	54 675	110 241
Total cost of materials and traffic charges		(7 345)	(6 893)	(14 519)	(14 203)	(29 176)
Salaries and personnel costs		(2 735)	(2 688)	(5 343)	(5 383)	(10 457)
Other operating expenses		(5 455)	(5 225)	(11 023)	(10 527)	(21 446)
Other income		122	85	1 924	96	173
Other expenses		(502)	(340)	(753)	(499)	(1 960)
EBITDA		12 121	12 098	25 332	24 159	47 375
Depreciation and amortisation		(6 557)	(6 422)	(12 917)	(12 802)	(25 868)
Impairment losses	2	(2 500)	(5)	(2 500)	(5)	-
Operating profit (loss)		3 064	5 671	9 916	11 352	21 506
Share of net income from associated companies and joint ventures		(68)	(166)	(172)	(219)	(459)
Net financial items		(2 774)	(1 124)	(2 984)	(1 505)	(3 962)
Profit (loss) before taxes		222	4 381	6 759	9 627	17 084
Income taxes		383	(1 471)	1 442	(3 121)	(5 740)
Profit (loss) from continuing operations		605	2 911	8 201	6 506	11 344
Profit (loss) from discontinued operations	4	(943)	81	(1 289)	(6 647)	(6 753)
Net income		(338)	2 991	6 912	(141)	4 592

Net income attributable to:

Non-controlling interests	776	803	1 455	1 559	3 063
Equity holders of Telenor ASA	(1 113)	2 188	5 457	(1 701)	1 528

Earnings per share in NOK

Basic/diluted from continuing operations	(0.12)	1.51	4.82	3.53	5.92
Basic/diluted from discontinued operations	(0.67)	0.06	(0.92)	(4.75)	(4.83)
Basic/diluted from total operations	(0.80)	1.56	3.90	(1.22)	1.09

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

Consolidated statement of comprehensive income

Telenor Group

NOK in million	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
Net income	(338)	2 991	6 912	(141)	4 592
Translation differences on net investment in foreign operations	3 734	614	1 910	(2 397)	(3 514)
Amount reclassified from other comprehensive income to income statement on partial disposal	-	-	789	-	-
Net gain (loss) on hedge of net investment	(2 418)	(717)	(1 131)	1 733	2 447
Income taxes	532	158	249	(381)	(538)
Share of other comprehensive income (loss) of associated companies and joint ventures	(45)	(26)	8	45	75
Amount reclassified from other comprehensive income to income statement on disposal	-	-	-	-	1
Items that may be reclassified subsequently to income statement	1 803	29	1 825	(1 000)	(1 529)
Net gain (loss) on equity investments	65	(15)	66	(5)	134
Remeasurement of defined benefit pension plans	519	(130)	1 718	500	266
Income taxes	(114)	28	(378)	(111)	(57)
Items that will not be reclassified to income statement	470	(117)	1 406	384	344
Other comprehensive income (loss), net of taxes	2 273	(88)	3 231	(616)	(1 186)
Total Comprehensive Income	1 935	2 904	10 143	(757)	3 406
Total comprehensive income attributable to:					
Non-controlling interests	1 070	751	1 678	1 365	2 909
Equity holders of Telenor ASA	865	2 153	8 466	(2 122)	498

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

Consolidated statement of financial position

Telenor Group

NOK in million	Note	30 June 2022	31 December 2021	30 June 2021
Deferred tax assets		2 291	2 195	1 917
Goodwill		27 679	27 448	27 946
Intangible assets		10 309	10 195	10 500
Right-of-use assets		52 718	51 565	53 281
Property, plant and equipment		72 799	72 767	73 231
Associated companies and joint ventures		5 887	5 683	6 020
Other non-current assets		16 393	12 046	13 565
Total non-current assets		188 076	181 898	186 460
Prepaid taxes		1 633	1 568	1 585
Inventories		1 672	1 563	1 294
Trade and other receivables		22 851	21 739	23 576
Other current financial assets		606	839	761
Assets classified as held for sale	4	-	2 910	2 522
Cash and cash equivalents		9 412	15 223	19 733
Total current assets		36 174	43 843	49 472
Total assets		224 251	225 740	235 933
Equity attributable to equity holders of Telenor ASA		21 776	26 294	23 648
Non-controlling interests		5 284	5 206	5 049
Total equity		27 061	31 500	28 697
Non-current lease liabilities		29 066	28 101	30 772
Non-current interest-bearing liabilities	5	90 352	87 811	88 889
Non-current non-interest-bearing liabilities		1 857	1 388	1 031
Deferred tax liabilities		4 171	4 374	4 239
Pension obligations		2 304	2 429	2 678
Provisions and obligations		8 135	7 971	8 667
Total non-current liabilities		135 885	132 073	136 276
Current lease liabilities		7 474	6 977	8 416
Current interest-bearing liabilities	5	5 583	9 276	13 715
Trade and other payables		31 149	32 315	30 059
Dividend payable		6 018	5	5 598
Current tax payables		4 221	5 149	4 667
Current non-interest-bearing liabilities		1 391	1 969	1 898
Provisions and obligations		676	896	885
Liabilities classified as held for sale	4	4 793	5 580	5 722
Total current liabilities		61 305	62 167	70 960
Total equity and liabilities		224 251	225 740	235 933

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

Consolidated statement of cash flows

Telenor Group

NOK in million	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
Profit before taxes from total operations ¹⁾	(721)	4 458	5 520	2 959	10 385
Income taxes paid	(1 546)	(1 823)	(2 985)	(3 677)	(6 113)
Net (gains) losses from disposals, impairments and change in fair value of financial assets and liabilities	(20)	69	(1 133)	184	272
Depreciation, amortisation and impairment losses	9 057	6 763	15 417	20 258	34 363
Loss (profit) from associated companies and joint ventures	68	166	172	219	459
Dividends received from associated companies	-	12	-	274	532
Currency (gains) losses not related to operating activities	2 537	312	2 568	(194)	1 160
Changes in working capital and other	215	(112)	(557)	657	1 215
Net cash flow from operating activities	9 590	9 845	19 003	20 679	42 272
Purchases of property, plant and equipment, intangible assets and prepayment for right-of-use assets	(5 665)	(4 675)	(10 156)	(10 377)	(19 447)
Purchases of subsidiaries, associated companies and joint ventures, net of cash acquired	(73)	(1)	(180)	(192)	(391)
Proceeds from disposal of PPE, intangible assets, associated companies and businesses, net of cash disposed	119	83	1 407	116	178
Proceeds from sale and purchases of other investments	127	(25)	352	1 118	2 432
Net cash flow from investing activities	(5 492)	(4 618)	(8 578)	(9 335)	(17 228)
Proceeds from and repayments of borrowings	(5 261)	2 093	(5 217)	1 084	(2 930)
Payments of lease liabilities related to spectrum licences	(655)	(67)	(1 529)	(445)	(2 871)
Payments of lease liabilities related to other lease contracts	(1 273)	(1 531)	(2 717)	(2 927)	(5 955)
Net payments of supply chain financing	(38)	88	(134)	(122)	(1)
Purchase of treasury shares	(28)	24	(28)	-	-
Dividends paid to and purchases of shares from non-controlling interests	(1 276)	(1 596)	(1 600)	(1 895)	(3 551)
Dividends paid to equity holders of Telenor ASA	(6 997)	(6 742)	(6 997)	(6 742)	(12 595)
Net cash flow from financing activities	(15 528)	(7 732)	(18 221)	(11 048)	(27 903)
Effects of exchange rate changes on cash and cash equivalents	220	214	80	(45)	(245)
Net change in cash and cash equivalents	(11 209)	(2 291)	(7 716)	251	(3 103)
Cash and cash equivalents at the beginning of the period	20 479	22 630	16 985	20 088	20 088
Cash and cash equivalents at the end of the period²⁾	9 269	20 339	9 269	20 339	16 985
Of which cash and cash equivalents in assets held for sale at the end of the period	-	973	-	973	1 863
Cash and cash equivalents in continuing operations at the end of the period	9 269	19 366	9 269	19 366	15 121
¹⁾ Profit before taxes from total operations consists of:					
Profit before taxes from continuing operations	222	4 381	6 759	9 627	17 084
Profit before taxes from discontinued operations	(943)	76	(1 239)	(6 669)	(6 699)
Profit before taxes from total operations	(721)	4 458	5 520	2 959	10 385

2) As of 30th June 2022, restricted cash was NOK 11 million, while as of 30th June 2021, restricted cash was NOK 24.2million.

Cash flow from discontinued operations

NOK in million	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
Net cash flow from operating activities	-	518	571	1 042	2 574
Net cash flow from investing activities	-	(83)	(1 687)	(195)	(256)
Net cash flow from financing activities	-	(252)	(174)	(473)	(981)
Total cash flows from discontinued operations	-	183	(1 290)	374	1 337
Effects of exchange rate changes on cash and cash equivalents	-	(47)	9	(83)	(229)
Net cash flows from discontinued operations	-	136	(1 281)	290	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						
	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences	Total	Non-controlling interests	Total equity
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	-	-	5 457	-	5 457	1 455	6 912
Other comprehensive income for the period	-	1 414	-	1 595	3 009	222	3 231
Total comprehensive income for the period	-	1 414	5 457	1 595	8 466	1 678	10 144
Acquisition of subsidiaries with NCI	-	-	-	-	-	3	3
Dividends	-	-	(13 015)	-	(13 015)	(1 602)	(14 617)
Share - based payment, exercise of share options and distribution of shares	-	31	-	-	31	-	31
Equity as of 30 June 2022	8 466	(20 085)	36 423	(3 032)	21 777	5 284	27 061

NOK in million	Attributable to equity holders of the parent						
	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences	Total	Non-controlling interests	Total equity
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	-	-	(1 701)	-	(1 701)	1 559	(141)
Other comprehensive income for the period	-	430	-	(851)	(421)	(194)	(616)
Total comprehensive income for the period	-	430	(1 701)	(851)	(2 122)	1 365	(757)
Transactions with non-controlling interests	-	-	(1)	-	(1)	(1)	(3)
Equity adjustments in associated companies	-	3	-	-	3	-	3
Dividends	-	-	(12 595)	-	(12 595)	(1 909)	(14 504)
Share - based payment, exercise of share options and distribution of shares	-	39	-	-	39	-	39
Equity as of 30 June 2021	8 466	(21 542)	40 752	(4 032)	23 649	5 049	28 697

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 six months ending 30 June 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 14.

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 – Impairment Telenor Pakistan

In the annual report 2021, Telenor disclosed that the non-current assets in Telenor Pakistan was sensitive for impairment. Since 31 December 2021, there have been a significant increase in interest rates, country risk premium and market premiums, impacting the Weighted Average Cost of Capital. This, together with a hike in energy prices and increased global inflation, has made the outlook for Telenor Pakistan challenging. Further, one of the key assumptions in the assessment at year end was the outcome of the Supreme Court's hearing related to the renewal fee for the 900 MHz and 1800 MHz spectrum license. On 25 May 2022, the Supreme Court concluded the fee to remain at the level set by the Pakistani Telecommunication Authority, see note 7. As a consequence, the Group has reassessed the value in use based on discounted cash flows of Telenor Pakistan with updated earnings projections. An impairment of NOK 2.5 billion was recognised in the second quarter 2022 related to property, plant and equipment, right-of-use assets and intangible assets in the Telenor Pakistan segment. Recoverable amount of the assets is estimated to be NOK 5.8 billion.

The impairment per class of asset is as follows:

NOK in million	
Property, plant and equipment	1 508
Right-of-use assets	963
Intangible assets	29
Total impairments	2 500

Key assumptions applied in the calculation of value in use for Telenor Pakistan as of 30 June 2022 are stated in the table below. During the assessment of Telenor Pakistan, several scenarios related to timing and level of spectrum acquisitions, investment in radio equipment and operational efficiency were prepared. The assessment was based on a weighting of scenarios reflecting the mentioned sensitivities. The weighted key assumptions used in the scenarios are summarized below.

Key assumptions	
Revenue growth during 2022-2027, percent ¹	1.1
EBITDA growth during 2022-2027, percent ¹	1.7
EBITDA margin growth from 2022-2027, percentage points ²	1.7
Capex/revenues in the terminal value, percent	13.5
WACC, percent	From 14.5 to 18.5
WACC used in the testing at year-end 2021, percent	From 11.6 to 15.3
Nominal growth in cash flow in terminal value, percent	4.8

¹ Represents the compound annual growth rate during the period

² Represents annual growth during the period

Key assumptions:

- Revenue is estimated based on expectations on available spectrum and expected market share. The market growth in Pakistan has been estimated to be in line with long-term inflation expectations.
- EBITDA estimated based on the current margin level and expected future market development.
- Capex is estimated based on historical experience of required capital to maintain the estimated customer base in the various scenarios.
- The long-term growth rate used in the terminal value has been estimated based on the long-term inflation forecast for Pakistan.
- The WACC has been based on risk-free rate for US 30-year government bonds adjusted with a country-risk premium and the inflation differential between the US and Pakistan. The discount rates consider the debt premium, market risk premium, gearing, corporate tax rate, inflation, and asset beta.

Note 3 – Disaggregation of revenue

In the following table, revenue is disaggregated by major revenue streams divided into the reportable segments as shown in note 9. For further information on the categories, please refer to note 6 in the Group's Annual Report 2021.

Second 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	4 017	2 067	1 205	1 854	4 586	3 284	3 977	1 262	-	(254)	21 998
Services	3 476	1 664	923	1 478	4 015	2 871	3 966	1 258	-	(253)	19 398
Goods	541	403	282	376	571	413	11	4	-	(1)	2 600
Fixed operation	2 113	794	129	553	-	-	-	-	606	(181)	4 013
Services	2 064	792	129	553	-	-	-	-	606	(166)	3 978
Goods	48	2	-	-	-	-	-	-	-	(15)	35
Other	145	-	-	-	-	-	-	-	968	(401)	713
Services	145	-	-	-	-	-	-	-	968	(401)	712
Goods	-	-	-	-	-	-	-	-	-	-	-
Sum type of goods/services	6 275	2 861	1 333	2 408	4 586	3 284	3 977	1 262	1 574	(835)	26 723
Type of mobile subscription											
Contract	2 939	1 417	789	1 351	2 575	1 310	178	37	-	(23)	10 572
Prepaid	32	35	-	55	1 292	1 492	3 777	1 206	-	(82)	7 806
Other ¹⁾	505	213	134	73	149	69	11	15	-	(148)	1 020
Sum services in Mobile operation	3 476	1 664	923	1 478	4 015	2 871	3 966	1 258	-	(253)	19 398
Timing of revenue recognition											
Over time	5 685	2 456	1 051	2 031	4 015	2 871	3 966	1 258	1 573	(820)	24 088
At a point in time	590	405	282	376	571	413	11	4	-	(16)	2 636
Total revenue from contract with customers	6 275	2 861	1 333	2 408	4 586	3 284	3 977	1 262	1 574	(835)	26 723
Other revenue ²⁾	83	51	7	34	885	50	47	36	619	(498)	1 313
Total revenue	6 357	2 912	1 340	2 442	5 471	3 334	4 024	1 297	2 193	(1 334)	28 036
Segment revenue as presented in note 9	6 357	2 912	1 340	2 442	5 471	3 334	4 024	1 297	2 193	(1 334)	28 036

¹⁾ Other includes revenues from other mobile and non-mobile services, refer to definitions on page 30.

²⁾ Other revenues include mainly lease revenue.

First half year 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	7 817	4 072	2 388	3 677	9 119	6 446	7 667	2 539	-	(478)	43 246
Services	6 806	3 242	1 821	2 921	7 933	5 631	7 653	2 533	-	(477)	38 063
Goods	1 011	830	567	756	1 186	815	14	6	-	(1)	5 183
Fixed operation	4 233	1 587	254	1 078	-	-	-	-	995	(305)	7 843
Services	4 122	1 584	254	1 078	-	-	-	-	995	(278)	7 754
Goods	111	4	-	-	-	-	-	-	-	(27)	89
Other	290	-	-	-	-	-	-	-	1 976	(892)	1 373
Services	290	-	-	-	-	-	-	-	1 967	(892)	1 365
Goods	-	-	-	-	-	-	-	-	8	-	8
Sum type of goods/services	12 340	5 659	2 642	4 755	9 119	6 446	7 667	2 539	2 971	(1 675)	52 462
Type of mobile subscription											
Contract	5 793	2 774	1 567	2 670	5 080	2 587	338	74	-	(40)	20 842
Prepaid	56	81	-	106	2 532	2 914	7 294	2 428	-	(189)	15 223
Other ¹⁾	958	387	254	144	321	130	22	31	-	(248)	1 998
Sum services in Mobile operation	6 806	3 242	1 821	2 921	7 933	5 631	7 653	2 533	-	(477)	38 063
Timing of revenue											
Over time	11 218	4 825	2 075	3 999	7 933	5 631	7 653	2 533	2 963	(1 647)	47 183
At a point in time	1 122	834	567	756	1 186	815	14	6	8	(28)	5 280
Total revenue from contract with customers	12 340	5 659	2 642	4 755	9 119	6 446	7 667	2 539	2 971	(1 675)	52 462
Other revenue ²⁾	165	100	13	63	1 743	98	92	71	1 226	(989)	2 583
Total revenue	12 505	5 759	2 655	4 818	10 862	6 543	7 759	2 610	4 197	(2 664)	55 046
Segment revenue as presented in note 9	12 505	5 759	2 655	4 818	10 862	6 543	7 759	2 610	4 197	(2 664)	55 046

¹⁾ Other includes revenues from other mobile and non-mobile services, refer to definitions on page 30.

²⁾ Other revenues include mainly lease revenue.

Second 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	3 769	1 998	1 125	1 864	4 503	3 240	3 489	1 408	-	(257)	21 139
Services	3 318	1 645	870	1 472	4 056	2 718	3 474	1 405	-	(257)	18 701
Goods	451	353	255	393	446	522	16	3	-	-	2 438
Fixed operation	2 266	895	121	545	-	-	-	-	483	(160)	4 151
Services	2 165	894	121	545	-	-	-	-	483	(151)	4 057
Goods	101	1	-	-	-	-	-	-	-	(8)	94
Other	172	-	-	-	-	-	-	-	969	(464)	677
Services	172	-	-	-	-	-	-	-	967	(464)	675
Goods	-	-	-	-	-	-	-	-	2	-	2
Sum type of goods/services	6 207	2 893	1 246	2 409	4 503	3 240	3 489	1 408	1 453	(880)	25 965
Type of mobile subscription											
Contract	2 867	1 441	775	1 339	2 565	1 221	177	41	-	(17)	10 409
Prepaid	33	43	-	51	1 332	1 454	3 289	1 347	-	(94)	7 453
Other ¹⁾	418	162	95	82	160	44	8	17	-	(146)	839
Sum services in Mobile operation	3 318	1 645	870	1 472	4 056	2 718	3 474	1 405	-	(257)	18 701
Timing of revenue											
Over time	5 655	2 539	991	2 016	4 056	2 718	3 474	1 405	1 450	(873)	23 432
At a point in time	552	354	255	393	446	522	16	3	2	(9)	2 533
Total revenue from contract with customers	6 207	2 893	1 246	2 409	4 503	3 240	3 489	1 408	1 452	(881)	25 965
Other revenue ²⁾	71	49	7	8	833	44	41	37	425	(323)	1 193
Total revenue	6 278	2 943	1 253	2 417	5 335	3 284	3 531	1 445	1 877	(1 205)	27 158
Segment revenue as presented in note 9	6 278	2 943	1 253	2 417	5 335	3 284	3 531	1 445	1 877	(1 205)	27 158

¹⁾ Other includes revenues from other mobile and non-mobile services, refer to definitions on page 30.

²⁾ Other revenues include mainly lease revenue.

First half 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	7 503	4 045	2 295	3 736	9 401	6 440	6 947	2 772	-	(499)	42 641
Services	6 568	3 256	1 743	2 956	8 272	5 517	6 927	2 765	-	(499)	37 506
Goods	935	790	552	780	1 129	923	20	6	-	-	5 135
Fixed operation	4 546	1 807	250	1 089	-	-	-	-	897	(302)	8 286
Services	4 370	1 803	250	1 089	-	-	-	-	897	(281)	8 128
Goods	175	4	-	-	-	-	-	-	-	(21)	157
Other	353	-	-	-	-	-	-	-	1 879	(918)	1 314
Services	353	-	-	-	-	-	-	-	1 876	(918)	1 311
Goods	-	-	-	-	-	-	-	-	3	-	3
Sum type of goods/services	12 401	5 852	2 545	4 825	9 401	6 440	6 947	2 772	2 777	(1 719)	52 240
Type of mobile subscription											
Contract	5 697	2 864	1 568	2 695	5 250	2 466	309	83	-	(25)	20 906
Prepaid	64	84	-	100	2 704	2 959	6 601	2 647	-	(184)	14 974
Other ¹⁾	807	307	175	162	319	92	17	35	-	(289)	1 625
Sum services in Mobile operation	6 568	3 256	1 743	2 956	8 272	5 517	6 927	2 765	-	(499)	37 506
Timing of revenue											
Over time	11 291	5 059	1 993	4 045	8 272	5 517	6 927	2 765	2 773	(1 697)	46 945
At a point in time	1 111	793	552	780	1 129	923	20	6	3	(22)	5 296
Total revenue from contract with customers	12 401	5 852	2 545	4 825	9 401	6 440	6 947	2 772	2 776	(1 719)	52 240
Other revenue ²⁾	156	102	15	16	1 702	88	82	73	895	(692)	2 435
Total revenue	12 557	5 954	2 560	4 840	11 102	6 528	7 029	2 845	3 671	(2 411)	54 675
Segment revenue as presented in note 9	12 557	5 954	2 560	4 840	11 102	6 528	7 029	2 845	3 671	(2 411)	54 675

¹⁾ Other includes revenues from other mobile and non-mobile services, refer to definitions on page 30.

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 9	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 30.

²⁾ Other revenues include mainly lease revenue.

Note 4 – 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 was not recognised on closing. 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.

The profit (loss) for disposed Telenor Myanmar presented as follows:

NOK in million	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
Revenue	-	887	1 018	2 243	4 835
EBITDA	-	466	617	1 269	2 751
EBIT	-	130	617	(6 181)	(5 743)
Profit (loss) before tax	-	73	602	(6 529)	(6 185)
Income taxes	-	5	(50)	21	(53)
Profit (loss) after tax	-	77	553	(6 507)	(6 238)
Gain (loss) on disposal after tax	-	-	(857)	-	-
Profit (loss) from discontinued operations	-	77	(304)	(6 507)	(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	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
Revenue	-	887	1 018	2 243	4 835
EBITDA	-	466	617	1 269	2 751
EBIT	-	130	617	(6 181)	(5 743)
Profit (loss) before tax	-	73	602	(6 529)	(6 185)
Income taxes	-	5	(50)	21	(53)
Profit (loss) after tax	-	77	553	(6 507)	(6 238)
Gain (loss) on disposal after tax	(943)	3	(1 841)	(140)	(515)
Profit (loss) from discontinued operations	(943)	81	(1 289)	(6 647)	(6 753)

The losses on disposal recognised during second quarter 2022 is related to Telenor India following a reassessment of Adjusted Gross Revenue (AGR) provision against demand from Department of Telecommunication (DoT) in India. The adjustments are made

following dialog with DoT in India. For further information see note 7.

The losses on disposal recognised during first half year 2022 is mainly related to Telenor Myanmar and Telenor India. Loss recognised during first half 2021 was mainly related to Telenor Myanmar.

Assets held for sale

The major classes of liabilities of the disposal groups classified as held for sale as of 30 June 2022 represents Telenor India. Telenor Myanmar and Telenor India represented the major classes of assets and liabilities as of 30 June 2021. As of 31 December 2021, Telenor India, Telenor Myanmar, Open Universe and FTTH in Sweden represented the major classes of assets and liabilities:

NOK in million	30 June	31 December	30 June
	2022	2021	2021
Assets			
Property, plant and equipment	-	717	-
Right of use assets	-	-	1 040
Inventory	-	13	14
Trade and other receivables	-	317	496
Cash and cash equivalents	-	1 863	973
Total assets classified as held for sale	-	2 910	2 522
Liabilities			
Non-current liabilities	-	23	6
Current liabilities	4 793	5 557	5 716
Total liabilities held for sale	4 793	5 580	5 722

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

NOK in million	30 June	31 December	30 June
	2022	2021	2021
Telenor Myanmar	-	(802)	(675)
Telenor India	(536)	(180)	(78)
Total gain (loss)	(536)	(982)	(753)

Note 5 – Interest-bearing liabilities

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

NOK in million	30 June 2022	
	Carrying amount	Fair value
Interest-bearing liabilities ¹⁾	(95 934)	(90 293)
of which fair value level 1	-	(81 157)
of which fair value level 2	-	(9 136)

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	30 June 2021	
	Carrying amount	Fair value
Interest-bearing liabilities ¹⁾	(102 605)	(106 979)
of which fair value level 1	-	(96 408)
of which fair value level 2	-	(10 571)

¹⁾ Excluding lease liabilities.

Note 6 – 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:

	30 June 2022	31 December 2021	30 June 2021
NOK in million			
Other non-current assets	494	1 013	1 699
Other current financial assets	263	464	371
Non-current non-interest-bearing financial liabilities	(1 561)	(1 106)	(884)
Non-current interest-bearing financial liabilities	(2 290)	(120)	(27)
Current non-interest-bearing liabilities	(263)	(675)	(447)
Total	(3 357)	(425)	714

Note 7 – Legal disputes

India

Telenor's previous operations in India are subject to a number of disputes with the Indian Department of Telecommunications (DoT), which remain to be concluded. One of these disputes is related to the basis for calculating licence fees and spectrum usage charges for the entire duration of Telenor's operations in India. During 2019-2022, DoT issued demand notices in the mentioned matter amounting to approximately NOK 5.0 billion including penalty and interest against Telenor's Indian subsidiaries. In a ruling in the fourth quarter of 2019 and in subsequent court orders in 2020, the Supreme Court of India upheld DoT's view on the determination of the licence fees and spectrum usage. These rulings have bearing on demands amounting to approximately NOK 3.6 billion out of the above. Interest accruals on demand notices received will apply and are currently estimated to NOK 0.8 billion for demand notices covered by the Supreme Court orders. Telenor has settled NOK 0.5 billion of the mentioned demands. See note 4 for information on provisions related to the period the Group owned the business in India.

dtac – Revenue share (deduction of interconnect expenses)

dtac is involved in industry disputes with National Telecom PCL (NT) related to the calculation of revenue share for the concession years 16-27 in the now expired concession. The issue of the disputes is whether dtac had the right to deduct interconnect expenses from its interconnect revenues to be used as basis for calculating the payment of concession fee to NT. For the disputes related to concession years 21 to 27 (16 September 2011 to 15 September 2018) NT has previously presented claims of NOK 4.4 billion in total (excl. penalty and interest). During second quarter 2022, the Arbitral Tribunal allowed NT to increase the claimed

amount by NOK 0.4 billion, since interconnect revenues dtac received from other telecom operators was higher than the amounts stated in NT's statement of claim.

Telenor Pakistan – Licence renewal

Telenor Pakistan's 900 MHz and 1800 MHz spectrum licence expired on 25 May 2019, and the renewal fee was set to NOK 4.4 billion (USD 449 million) by the Pakistan Telecommunication Authority (PTA) for an extension period of 15 years. Telenor Pakistan disagrees with the terms and conditions for renewal, primarily on the price. Telenor Pakistan believes that the renewal price should have been NOK 2.9 billion (USD 291 million), which is the same as for prior renewals for other operators. Accordingly, Telenor Pakistan challenged the terms and conditions for renewal of said licence in Islamabad High Court. On 19 July 2021, the High Court decided the case in Telenor Pakistan's disfavor. Telenor Pakistan appealed the case to the Supreme Court on 31 August 2021. In December 2021, Telenor Pakistan signed the licence under protest whilst waiting for the Supreme Court's hearing of the case. On 25 May 2022, the Supreme Court rejected the appeal. The right-of-use asset and lease liability related to this licence has been adjusted accordingly. Telenor Pakistan is still waiting for the written Supreme Court decision and will assess to file a review petition. Telenor Pakistan has paid a total of NOK 3.2 billion (USD 359 million excl. interest) of the demanded license renewal fees. See note 2 for further information about impairment of Pakistan following the Supreme Court ruling.

Telenor Norway - ESA

On 29 June 2020 ESA issued a decision against Telenor Norway and Telenor ASA with a fine of NOK 1.2 billion for abuse of dominant position in Norway. The investigation has covered several issues, but the final decision only concerns the alleged insufficient margins between Telenor's wholesale prices and prices for mobile broadband to residential customers when sold on a stand-alone basis between 2008 and 2012. The case rests on a number of legal, economic, and factual considerations, on which ESA and Telenor have different opinions. Telenor has paid the fine in accordance with the obligation in the decision. Telenor appealed the decision to the EFTA Court on 28 August 2020. On 5 May 2022, the EFTA Court rejected Telenor's appeal and the case is thereby final and closed.

Note 8 – 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. Consequently, the tax expense of NOK 2.5 billion recognised in 2019 was reversed in Q1 2022 (for more information see Annual Reports 2021, note 13 Income taxes for uncertain tax positions Norway).

Note 9 – 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.

Second 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	6 357	6 278	1.3 %	119	110	3 130	49.2 %	3 135	49.9 %	1 617	1 436
Sweden	2 912	2 943	-1.0 %	29	19	982	33.7 %	1 103	37.5 %	394	291
Denmark	1 340	1 253	6.9 %	24	21	346	25.8 %	354	28.2 %	143	511
DNA - Finland	2 442	2 417	1.0 %	12	9	924	37.8 %	909	37.6 %	355	358
dtac - Thailand	5 471	5 335	2.5 %	5	14	2 264	41.4 %	2 158	40.5 %	918	977
Digi - Malaysia	3 334	3 284	1.5 %	12	15	1 613	48.4 %	1 506	45.9 %	372	396
Grameenphone -	4 024	3 531	14.0 %	25	25	2 456	61.0 %	2 189	62.0 %	593	1 616
Pakistan	1 297	1 445	-10.2 %	58	72	613	47.2 %	806	55.8 %	1 820	342
Other units	2 193	1 877	16.8 %	1 050	921	566	25.8 %	451	24.0 %	267	145
Eliminations	(1 334)	(1 205)	10.7 %	(1 334)	(1 205)	(394)	29.5 %	(259)	21.5 %	-	-
Group	28 036	27 158	3.2 %	-	-	12 501	44.6 %	12 353	45.5 %	6 479	6 072

First half year 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	12 505	12 557	-0.4 %	207	214	6 132	49.0 %	6 265	49.9 %	3 915	2 675
Sweden	5 759	5 954	-3.3 %	46	33	1 958	34.0 %	2 166	36.4 %	710	894
Denmark	2 655	2 560	3.7 %	46	42	696	26.2 %	717	28.0 %	475	595
DNA - Finland	4 818	4 840	-0.5 %	26	17	1 834	38.1 %	1 864	38.5 %	574	574
dtac - Thailand	10 862	11 102	-2.2 %	16	25	4 188	38.6 %	4 260	38.4 %	2 010	1 914
Digi - Malaysia	6 543	6 528	0.2 %	22	27	3 186	48.7 %	3 058	46.8 %	564	744
Grameenphone -	7 759	7 029	10.4 %	50	47	4 737	61.1 %	4 382	62.3 %	996	1 968
Pakistan	2 610	2 845	-8.2 %	123	142	1 275	48.9 %	1 546	54.4 %	2 037	666
Other units	4 197	3 671	14.3 %	2 129	1 861	1 037	24.7 %	857	23.4 %	573	457
Eliminations	(2 664)	(2 411)	10.5 %	(2 664)	(2 411)	(883)	33.1 %	(554)	23.0 %	-	-
Group	55 046	54 675	0.7 %	-	-	24 161	43.9 %	24 562	44.9 %	11 854	10 487

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	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 30 for alternative performance measures.

Reconciliation

NOK in million	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
Profit (loss) before taxes	222	4 381	6 759	9 627	17 084
Share of net income from associate companies and joint	(68)	(166)	(172)	(219)	(459)
Net financial items	(2 774)	(1 124)	(2 984)	(1 505)	(3 962)
Operating profit (loss)	3 064	5 671	9 916	11 352	21 506
Depreciation and amortisation	(6 557)	(6 422)	(12 917)	(12 802)	(25 868)
Impairment losses	(2 500)	(5)	(2 500)	(5)	-
EBITDA	12 121	12 098	25 332	24 159	47 375
Other income	122	85	1 924	96	173
Other expenses	(502)	(340)	(753)	(499)	(1 960)
EBITDA before other income and other expenses	12 501	12 353	24 161	24 562	49 162

Note 10 – Equity information

Dividend

On 11 May 2022, the Annual General Meeting approved a dividend of NOK 9.30 per share to be paid out in two tranches of NOK 5.00 and NOK 4.30 in May and October 2022, respectively. The first tranche of NOK 5.00 was paid out on 24 May 2022, with ex-dividend date of 12 May 2022. The second tranche of NOK 4.30 will be paid out on or about 19 October 2022, with ex-dividend date of 6 October 2022.

Note 11 – Events after the reporting period

Digi - Malaysia

On 14 July 2022, the Board of Directors of Digi declared the second interim dividend for 2022 of MYR 0.028 per share, which corresponds to approximately NOK 0.5 billion total dividend and approximately NOK 0.25 billion for the non-controlling interests ownership share.

dtac - Thailand

On 15 July 2022, the Board of Directors of dtac declared the interim dividend for 2022 of THB 0.85 per share, which corresponds to approximately NOK 0.6 billion total dividend and approximately NOK 0.2 billion for the non-controlling interests ownership share.

Grameenphone - Bangladesh

On 17 July 2022, the Board of Directors of Grameenphone declared the interim dividend for 2022 of BDT 12.5 per share, which corresponds to approximately NOK 1.8 billion total dividend and approximately NOK 0.8 billion for the non-controlling interests ownership share.

Responsibility statement

We confirm that, to the best of our knowledge, the condensed consolidated interim financial statements for the first half of 2022 which have been prepared in accordance with IFRS as adopted by EU and IAS 34 *Interim Financial Reporting*, give a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations. To the best of our knowledge, the interim report for the first half of 2022 includes a fair review of important events that have occurred during the period and their impact on the condensed financial statements, the principal risks and uncertainties for the remaining half of 2022, and major related party transactions.

Fornebu, 18 July 2022


Gunn Wærsted
Chair

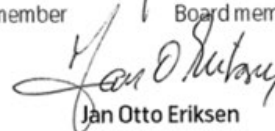

Jon Erik Reinhardsen
Board member


Roger Rønning
Employee representative


Nina Bjørnstad
Board member


Irene Vold
Employee representative


Pieter Knook
Board member


Jan Otto Eriksen
Employee representative


Jørgen Kildahl
Vice Chair of the Board


Astrid Simonsen Joos
Board member


Elisabetta Ripa
Board member


Sigve Brekke
President & CEO

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	Second quarter		Change second quarter	
	2022	2021	2022	Change YTD
Total revenue	28 036	27 158	878	3.2 %
Impact using exchange rates for 2022	(200)	165	(365)	
M&A	-	(75)	75	
Organic revenue	27 836	27 248	588	2.2 %

NOK in million	Second quarter		Change second quarter	
	2021	2020	2021	Change YoY
Total revenue	27 158	28 978	(1 820)	-6.3 %
Impact using exchange rates for 2021	282	(2 348)	2 630	
M&A	-	(109)	109	
Organic revenue	27 440	26 521	919	3.5 %

NOK in million	YTD		Change YTD	
	2022	2021	2022	Change YoY
Total revenue	55 046	54 675	370	0.7 %
Impact using exchange rates for 2022	-	(242)	242	
M&A	-	(124)	124	
Organic revenue	55 046	54 309	736	1.4 %

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	Second quarter		Change second quarter	
	2022	2021	2022	Change YTD
Service revenues	21 667	21 033	634	3.0%
Impact using exchange rates for 2022	(157)	151	(308)	
M&A	-	-	-	
Organic service revenues	21 509	21 183	326	1.5%

NOK in million	Second quarter		Change second quarter	
	2021	2020	2021	Change YoY
Service revenues	21 033	22 772	(1 740)	-7.6%
Impact using exchange rates for 2021	210	(1 925)	2 134	
M&A	-	-	-	
Organic service revenues	21 242	20 847	395	1.9%

NOK in million	YTD		Change YTD	
	2022	2021	2022	Change YoY
Service revenues	42 546	42 268	277	0.7%
Impact using exchange rates for 2022	-	(116)	116	
M&A	-	-	-	
Organic service revenues	42 546	42 152	394	0.9%

Service revenues

NOK in million	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
Mobile subscription and traffic revenues	17 684	17 095	34 707	34 355	68 817
Other mobile revenues	330	240	632	489	1 059
Total mobile service revenues	18 014	17 336	35 339	34 843	69 877
Wholesale and other mobile	1 093	1 083	2 141	2 123	4 413
Non-mobile	3 955	3 737	7 859	7 746	15 978
Total revenues mobile operations	23 061	22 156	45 340	44 712	90 268
Fixed telephony	151	250	334	521	960
Fixed Internet/TV	2 959	2 982	5 854	5 969	11 999
Other fixed services	239	235	457	478	973
Total fixed service revenues	3 348	3 467	6 644	6 968	13 931
Hardware	25	37	67	100	243
Wholesale and broadcasting	1 099	1 113	2 044	2 165	4 216
Total revenues fixed operations	4 472	4 617	8 755	9 233	18 390
Other service revenues	304	230	562	457	1 020
Total service revenues	21 667	21 033	42 546	42 268	84 828
Other revenues	502	385	951	730	1 583
Total revenues	28 036	27 158	55 046	54 675	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	Second quarter		Change second quarter	
	2022	2021	2022	Change YoY
Gross profit	20 691	20 265	426	2.1%
Impact using exchange rates for 2022	(145)	136	(281)	
M&A	-	(83)	83	
Organic gross profit	20 546	20 318	228	1.1%

NOK in million	Second quarter		Change second quarter	
	2021	2020	2021	Change YoY
Gross profit	20 265	21 955	(1 690)	-7.7 %
Impact using exchange rates for 2021	187	(1 824)	2 010	
Organic gross profit	20 452	20 131	321	1.6 %

NOK in million	YTD		Change YTD	
	2022	2021	2022	Change YTD
Gross profit	40 527	40 472	55	0.1 %
Impact using exchange rates for 2022	-	(95)	95	
M&A	-	(138)	138	
Organic gross profit	40 527	40 239	288	0.7 %

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	Second quarter		Change second quarter	
	2022	2021	2022	Change YoY
Operational expenses	8 190	7 913	277	3.5 %
Impact using exchange rates for 2022	(57)	35	(92)	
M&A	-	(4)	4	
Organic operational expenses	8 133	7 944	189	2.4 %

NOK in million	Second quarter		Change second quarter	
	2021	2020	2021	Change YoY
Operational expenses	7 913	8 780	(867)	-9.9 %
Impact using exchange rates for 2021	76	(699)	775	
Organic operational expenses	7 988	8 081	(93)	-1.1 %

NOK in million	YTD		Change YTD	
	2022	2021	2022	Change YTD
Operational expenses	16 366	15 910	455	2.9 %
Impact using exchange rates for 2022	-	(84)	84	
M&A	-	(6)	6	
Organic operational expenses	16 366	15 820	546	3.5 %

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	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
Total revenues	28 036	27 158	55 046	54 675	110 241
EBITDA before other items	12 501	12 353	24 161	24 562	49 162
EBITDA margin	44.6 %	45.5 %	43.9 %	44.9 %	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	Second quarter		Change second quarter	
	2022	2021	2022	Change YoY
EBITDA	12 501	12 353	149	1.2%
Impact using exchange rates for 2022	(88)	101	(189)	
M&A	-	(80)	80	
Organic EBITDA	12 413	12 374	39	0.3%

NOK in million	Second quarter		Change second quarter	
	2021	2020	2021	Change YoY
EBITDA	12 353	13 175	(823)	-6.2%
Impact using exchange rates for 2021	111	(1 125)	1 236	
M&A	-	(20)	20	
Organic EBITDA	12 463	12 030	433	3.6%

NOK in million	YTD		Change YTD	
	2022	2021	2022	Change YoY
EBITDA	24 161	24 562	(401)	-1.6%
Impact using exchange rates for 2022	-	(11)	11	
M&A	-	(131)	131	
Organic EBITDA	24 161	24 419	(258)	-1.1%

Capital expenses

Capital expenses (capex) are derived from the balance sheet and consist of investments in property, plant and equipment (PPE), intangible assets and 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	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
Purchases of PPE, intangible assets and prepayments for right-of-use assets	5 665	4 675	10 156	10 377	19 447
Working capital and other changes	(618)	160	(738)	(1 384)	1 746
Deferred licence obligations	1 367	1 300	2 267	1 427	1 340
Less:					
Discontinued operations	-	(62)	(4)	(122)	(188)
Capex	6 413	6 073	11 681	10 298	22 345
Licence and spectrum acquisition	(1 671)	(1 696)	(2 756)	(2 235)	(4 403)
Capex excl. licence and spectrum	4 742	4 377	8 925	8 063	17 942
Total revenues	28 036	27 158	55 046	54 675	110 241
Capex excl. licence and spectrum/Revenues (%)	16.9 %	16.1 %	16.2 %	14.7 %	16.3 %
Total Capex/Revenues (%)	22.9 %	22.4 %	21.2 %	18.8 %	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	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
Capital expenses	6 413	6 073	11 681	10 298	22 345
Investments in businesses	66	(2)	173	189	392
Investments	6 479	6 072	11 854	10 487	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	30 June 2022	31 December 2021	30 June 2021
Non-current interest-bearing liabilities	90 352	87 811	88 889
Non-current lease liabilities	29 066	28 101	30 772
Current interest-bearing liabilities	5 583	9 276	13 715
Current lease liabilities	7 474	6 977	8 416
Less:			
Cash and cash equivalents	(9 412)	(15 223)	(19 733)
Hedging instruments	(98)	(1 071)	(1 401)
Financial instruments	(294)	(327)	(345)
Adjustments:			
Non-current licence obligations	(13 611)	(12 496)	(13 635)
Current licence obligations	(2 733)	(2 264)	(3 620)
Net interest-bearing debt excluding licence obligations	106 326	100 783	103 058

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.

NOK in million	First half year		Year
	2022	2021	2021
Net debt	106 326	103 058	100 783
EBITDA before other items	48 761	50 734	49 162
Net debt/EBITDA before other items	2.2	2.0	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	Second quarter		First half year		Year
	2022	2021	2022	2021	2021
Net cash flows from operating activities	9 590	9 845	19 003	20 679	42 272
Net cash flows from investing activities	(5 492)	(4 618)	(8 578)	(9 335)	(17 228)
Payments of lease liabilities related to spectrum licences	(655)	(67)	(1 529)	(445)	(2 871)
Payments of lease liabilities related to other lease contracts	(1 273)	(1 531)	(2 717)	(2 927)	(5 954)
Repayments of borrowings - supply chain financing	(38)	88	(134)	(122)	(1)
Dividends paid to and purchase of shares from non-controlling interest	(1 275)	(1 596)	(1 600)	(1 895)	(3 551)
Free cash flow	856	2 121	4 446	5 955	12 668
M&A activities	(74)	(4)	1 081	838	1 653
Free cash flow before M&A activities	930	2 126	3 364	5 117	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 half year		Year
	2022	2021	2021
Operating profit	20 070	28 146	21 506
Share of net income (loss) including gains/losses from associated companies and joint ventures	(412)	(376)	(459)
Income taxes	(1 177)	(6 926)	(5 740)
A - Earnings	18 481	20 844	15 307
Total equity as of beginning of the period	28 697	34 040	43 918
Net interest-bearing debt including licence obligations as of beginning of the period	120 313	140 067	127 485
Net pension obligations as of beginning of the period	2 678	3 201	2 747
B - Total capital employed as of beginning of the period	151 688	177 308	174 150
Total equity as of end of the period	27 061	28 697	31 500
Net interest-bearing debt including licence obligations as of end of the period	122 670	120 313	115 543
Net pension obligations as of end of the period	2 304	2 678	2 429
C - Total capital employed as of end of the period	152 035	151 688	149 472
D - Average capital employed before adjustments (D=(B+C)/2)	151 862	164 498	161 811
E - Adjustment for Telenor Myanmar and Canal Digital	(175)	6 352	5 756
F - Average capital employed (F=D-E)	152 037	158 146	156 055
G - Return on capital employed (G=A/F)	12%	13%	10%

Additional information

Fully owned Nordic tower businesses

Fully owned towers in Sweden and Finland have been transferred out into newly established entities. For better comparison with 2021, the reported figures of Telenor Sweden and DNA Finland do not reflect these carve outs. Telenor Infra, the existing operator of towers in Norway, remains under reporting segment "Other units". The financial and operational information for the fully owned Nordic tower businesses is included in this section as additional information.

Revenues from Telenor's fully owned tower businesses in Norway, Sweden and Finland amounted to NOK 781 million in the quarter, whereof 78% was from anchor tenants. Total EBITDA after lease was NOK 330 million, of which Telenor Infra represented 71%.

Excluding the sites in the joint operations, there are 16 000 mobile sites (ground-based towers, rooftops, and other mobile sites) and 5 600 other sites (mainly buildings and fixed 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.

NOK in million	Second quarter	First half
	2022	2022
Revenues^{*)}		
Telenor Infra	599	1 187
Telenor Tower Sweden	68	136
DNA Tower	114	217
Total	781	1 540

EBITDA (boi) after lease^{*)}		
Telenor Infra	234	481
Telenor Tower Sweden	32	63
DNA Tower	64	125
Total	330	669

Statistics^{**)}:

Total number of sites ^{*)}	21 583
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Number of mobile sites^{*)}	
Telenor Infra	10 971
Telenor Tower Sweden	1 688
DNA Tower	3 373
Total	16 032

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

Number of mobile sites in joint operations	10 000
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*Excluding joint operations.

**End of period.

Telenor Group – Environmental, Social and Governance (ESG) performance

Our approach to ESG

Responsible business is an integrated part of Telenor's strategy. By running our business in a responsible way, we aim to create value for shareholders and societies. As a communications provider, Telenor is also in a position to contribute indirectly by leveraging on technology and services. *Climate and Environment* and *Digital skills* are defined as our key focus areas within ESG for the coming years.

Telenor's work within *Climate and environment* is in two dimensions. Telenor provides technology and services that enables its customers to reduce their emissions and improve environmental performance, e.g. by IoT solutions and 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 to achieve 50% reduction of carbon emission in Asia by 2030 were accepted by the Science-Based Targets initiative in 2021. 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 (PPA), as well as continuously exploring the potential for reduction of energy consumption levels. 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 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, Telenor address barriers to digital inclusion by ensuring customers are gaining access to life- and livelihood-enhancing services and are able to utilize the benefits of internet in a safe way. This will both benefit Telenor by higher usage of mobile services, and the societies by reducing inequalities and increase digital inclusion. During second quarter Telenor renewed its partnership with UNICEF to build inclusive future skulls in the next three years.

Key developments in the second quarter

During second quarter, PPAs for our operations in Norway and Denmark were entered. In Norway, Telenor signed a 10 year PPA with Hydro for the supply of renewable energy to power the Norwegian operations and the energy of which will be generated by a wind park in Sweden. The construction of the wind park is underway and commissioning is planned for November 2023. In Denmark, the PPA is also 10 year based on solar energy and will power the operations of our shared network with Telia. The solar park is expected to be completed and operational by end of 2024.

In May 2022 Telenor established a Sustainable Linked Bond (SLB) Framework. Through this Framework, Telenor intends to contribute to the growth of the Sustainability-Linked Financing market through different financial instruments and to address investors' willingness to finance transition. Telenor has established this Framework as an overarching platform under which it intends to issue Sustainability-Linked Financing Instruments, which may include bonds (including private placements), commercial paper, loans, promissory notes and any other Sustainability-Linked Financing Instruments in various formats and currencies. The SLB Framework is reviewed and supported by a second opinion provided by Sustainalytics.

A health and safety awareness campaign was introduced towards the end of the first quarter which impacted the number of reported observations of unsafe acts and conditions registered during the second quarter.

Selected ESG indicators

The status as of end of second quarter 2022 for selected ESG indicators are available in the appended table.

Key ESG indicator	2021	Q1 2022	Q2 2022
Reduction of absolute scope 1 and 2 GHG emissions from global operations (baseline year 2019)*	8%	n.m.	n.m.
Share of supplier spend covered by science-based targets	28.5%	31.1%	32.6%
Number of people trained in digital skills	856 290	76 280	570 101
Mobile internet users (% of active data users)	58.3%	58.5%	59.2%
Number of reported observations of unsafe acts and conditions	N/A**	580	1720
Women in the workforce	38%	38%	38%

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

** New indicator

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/>



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Published by Telenor ASA
N-1360 Fornebu, Norway
Phone: +47 67 89 00 00

Investor Relations:
E-mail: ir@telenor.com

www.telenor.com