



Q3 – 2022

Interim report
July – September 2022

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Improved Nordic mobile revenue trends

We see positive trends for mobile service revenues in the Nordic region, with a growth of 4 percent in the third quarter. For the Group, high energy prices, especially in Norway, Denmark, and Pakistan, continue to be a headwind. However, the negative effects are, this quarter, countered by a reversal of sim tax provision in Pakistan, leading to 2.5 percent EBITDA growth. Free cash flow came in at NOK 5 billion, implying a cash generation so far this year of NOK 10 billion.

In September, Telenor hosted a capital markets day where the strategy and ambitions for the next three years were presented. The Group's operations and value creation will be focused around four business areas: Telenor Nordics, Telenor Asia, Telenor Infrastructure and Telenor Amp. The sale of a 30 percent stake in the newly established fibre infrastructure company in Norway, which is expected to close in early 2023 confirms the company's execution on this strategy.

In the Nordics, growth in value added services is contributing to mobile revenue growth. We see a continued trend of customers' high demand for secure connectivity in a sharply increasing digital risk environment. Increased data usage was the main driver for Grameenphone's 7 percent service revenue growth this quarter, which also translated into solid EBITDA growth.

In Malaysia, the planned merger of Digi and Celcom received clearance from the Securities Commission, and is expected to be completed before year-end, following approval by the companies' shareholder meetings.

With regards to the outlook for the year, we maintain our expectation of low single digit growth in service revenues. Although we see a significant increase in energy prices weighing on the EBITDA, a positive one-time effect in Pakistan this quarter supports maintaining the outlook of organic EBITDA around last year's level. The capex to sales ratio is expected to be in the previously indicated range of 16-17 percent.

– Sigve Brekke, President and CEO



Key figures Telenor Group

NOK in million	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
Revenues	28 428	27 411	83 473	82 087	110 241
Organic revenue growth (%)	4.5	0.3	2.4	1.0	1.2
Service revenues	21 914	21 496	64 460	63 764	84 828
Organic service revenue growth (%)	2.5	0.5	1.4	(0.3)	(0.1)
EBITDA before other income and other expenses	13 059	12 856	37 221	37 418	49 162
Organic EBITDA growth (%)	2.5	(2.2)	0.2	0.1	(0.2)
EBITDA before other income and other expenses/Revenues (%)	45.9	46.9	44.6	45.6	44.6
Net income attributable to equity holders of Telenor ASA	1 549	2 642	7 006	942	1 528
Capex excl. licences and spectrum	4 088	4 014	13 013	12 077	17 942
Total Capex	4 267	4 025	15 948	14 323	22 345
Free cash flow before M&A	3 955	6 169	7 319	11 286	11 015
Total Free cash flow	5 211	7 182	9 657	13 138	12 668
Mobile subscriptions - Change in quarter/Total (mill.)	(2.6)	1.8	172.4	172.1	172.2

Third quarter summary¹⁾

- Total reported revenues were NOK 28.4 billion which is an increase of NOK 1.0 billion compared to the same period last year. Service revenues increased by 2.5% on an organic basis.
- Reported opex increased by NOK 0.4 billion. Organic opex increased by NOK 0.5 billion.
- Reported EBITDA before other items was NOK 13.1 billion which is an increase of 1.6%. Organic EBITDA increased by 2.5%.
- Increase in energy cost of NOK 0.4 billion impacted EBITDA development negatively by 3 percentage points which was more than offset by a one-time effect related to reversal of sim tax provision in Pakistan of NOK 0.6 billion following a High Court decision in favor of Telenor Pakistan.
- Capex excluding licences and spectrum fees was NOK 4.1 billion, yielding a capex to sales ratio of 14%.
- Net income attributable to equity holders of Telenor ASA was NOK 1.5 billion for the quarter. Net income was impacted by currency losses of NOK 2.4 billion mainly as a result of strengthening of USD against NOK.
- Total free cash flow was NOK 5.2 billion for the quarter, of which NOK 4.0 billion was before M&A.
- The leverage ratio decreased to 2.1x from 2.2x at the end of the previous quarter mainly as free cash flow more than compensated for negative currency effects.

¹⁾ Please refer to page 29 for Definitions and descriptions of Alternative Performance Measures.

Environmental, Social and Governance (ESG) approach

Responsible business conduct is an integrated part of Telenor Group's strategy and performance management, and a key foundation for sustainable value creation. We focus on responsible business practices across all our markets and work to continually improve our approach. Guided by international standards and our operational experience, we work systematically to address risks and to maximise the positive impact of our business. For more information about ESG, please see additional information on page 37.

Macroeconomic development – currency exchange rates

The weakening of NOK against other currencies has had an impact of approximately NOK 3 billion on net debt for the third quarter, of which NOK 2 billion was related to EUR and SEK debt in Telenor ASA. So far this year, the impact was approximately NOK 6 billion, of which NOK 4 billion was related to EUR and SEK debt in Telenor ASA. The currency translation of net debt from subsidiaries' functional currencies to NOK has an additional impact on net debt for Telenor Group.

Outlook for 2022

With regards to the outlook for the year excluding Digi in Malaysia, we maintain our expectation of low single digit growth in service revenues. Although we see a significant increase in energy prices weighing on the EBITDA, a positive one-time effect in Pakistan this quarter supports maintaining the outlook of organic EBITDA around last year's level. The capex to sales ratio is expected to be in the previously indicated range of 16-17 percent.

¹⁾ Please refer to page 29 for Definitions and descriptions of Alternative Performance Measures.

Group performance in the third quarter 2022¹⁾

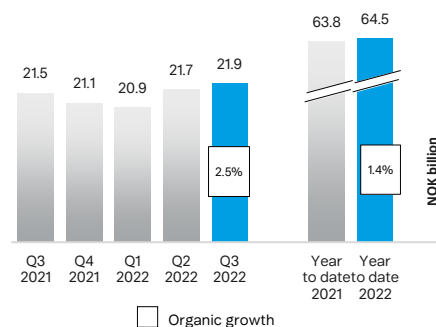
SERVICE REVENUES

Service revenues increased by 2% both on reported and on an organic basis.

In the Nordics, the growth in mobile ARPU in Norway continued, driven by increasing demand for value-added services and 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 the larger subscriber base, and higher revenues from roaming and value-added services. In Denmark, rising demand for higher value subscriptions and value-added services as well as higher roaming revenues contributed to the service revenue growth. In Finland, the positive momentum continued with subscriber growth in both mobile and fixed segments, as well as growth in mobile ARPU.

In Asia, Grameenphone in Bangladesh continued to grow service revenues as a result of price adjustments and increased data usage. In Pakistan, service revenues, on an underlying basis, were impacted by the flooding situation. In Thailand and Malaysia, service revenues declined due to continued pressure on ARPU.

Year to date, reported service revenues increased by 1.1% and organic service revenues grew by 1.4%. Growth in mobile and non-legacy fixed services in the Nordics, Bangladesh and Pakistan was partly offset by decline in fixed legacy revenues in Norway and lower revenues in Thailand and Malaysia.

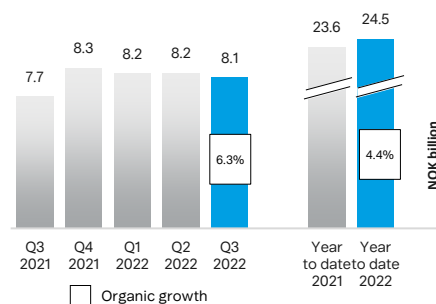


OPERATING EXPENSES (OPEX)

Reported opex increased by NOK 0.4 billion in the quarter. Organic opex increased by NOK 0.5 billion, or 6%.

The increase was driven by high activity levels including the on-going merger projects in Malaysia and Thailand, higher sales and marketing spend to support revenue growth, as well as increased energy prices.

Year to date, reported opex increased by NOK 0.9 billion, while organic opex increased by NOK 1.0 billion or 4%. Adjusted for positive items in Norway and Thailand during the second quarter, organic opex increased by NOK 1.3 billion, of which NOK 0.4 billion was related to increased energy cost and NOK 0.3 billion was related to higher corporate activities.



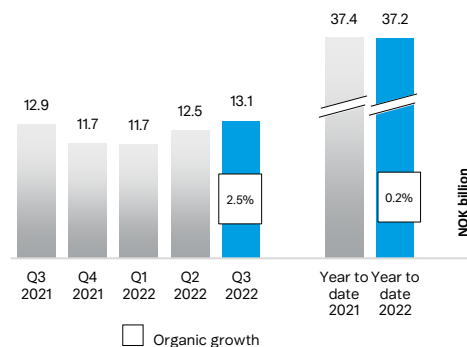
¹⁾ The comments are related to Telenor's development in the third quarter of 2022 compared to the third quarter of 2021 and are based on current Group structure unless otherwise stated. Please refer to page 29 for Definitions and descriptions of Alternative Performance Measures.

EBITDA BEFORE OTHER INCOME AND OTHER EXPENSES (EBITDA)

Reported EBITDA increased by NOK 0.2 billion. Organic EBITDA increased by 2.5%.

The positive contribution from mobile service revenue growth and one-time effect in Pakistan related to reversal of sim tax provision was partly offset by the reduced contribution from copper revenues in Norway and increased opex. Reduced copper revenues in Norway, increased corporate activities and energy cost are estimated to have a negative effect on the EBITDA growth of around 6 percentage points.

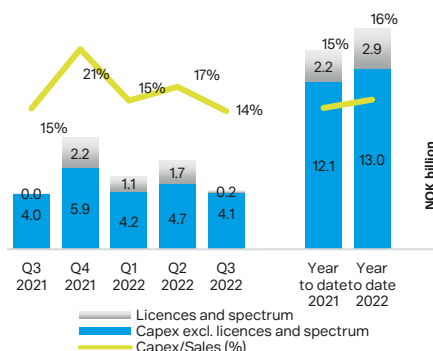
Year to date, reported EBITDA decreased by NOK 0.2 billion, while the organic EBITDA increased by 0.2%. The positive contribution from mobile service revenue growth on overall basis and the positive one-off effect in Pakistan this quarter and in Norway, Thailand and Other units during the second quarter this year, were almost fully offset by the reduced contribution from copper revenues, increased activity levels and higher energy prices.



CAPITAL EXPENSES (CAPEX)

Capex excluding licences and spectrum was NOK4.1 billion, which corresponds to a capex to sales ratio of 14%. So far this year, the capex amounted to NOK 13 billion, driven by the 5G roll-out in the Nordics, fibre investments in Norway and network investments in Thailand.

For the first three quarters, licenses and spectrum fees of NOK 2.9 billion include NOK 1.7 billion related to additional spectrum fee pursuant to the Supreme Court of Pakistan ruling through a short order and the detailed judgement is still awaited, see note 7 for more information.

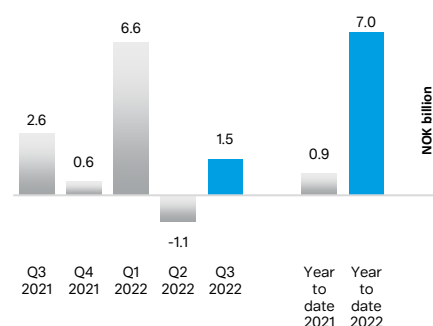


¹⁾ The comments are related to Telenor's development in the third quarter of 2022 compared to the third quarter of 2021 and are based on current Group structure unless otherwise stated. Please refer to page 29 for Definitions and descriptions of Alternative Performance Measures.

NET INCOME

Net income attributable to equity holders of Telenor ASA in the third quarter was NOK 1.5 billion, which is a decrease of NOK 1.1 billion compared to the same period last year. The decrease was primarily caused by higher currency losses of NOK 1.5 billion, mainly due to appreciation of USD against Norwegian Krone.

Year to date, net income to equity holders of Telenor ASA was NOK 7.0 billion, which is an increase of NOK 6.1 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.

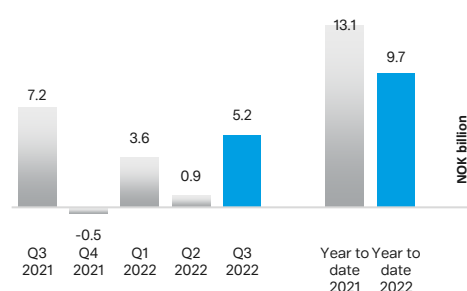


FREE CASH FLOW

The Group ended the third quarter with a total free cash flow of NOK 5.2 billion.

Free cash flow before M&A was NOK 4.0 billion, which is a decrease of NOK 2.2 billion. The decrease was primarily due to higher capex payments and negative working capital changes.

Year to date, total free cash flow was NOK 9.7 billion. Cash flow before M&A was NOK 7.3 billion, which is a decrease of NOK 3.9 billion compared to the same period last year, primarily due to lower EBITDA including lower contribution from Telenor Myanmar due to disposal, negative working capital changes and higher capex payments. Cash flow from M&A activities of NOK 2.3 billion this year included sale proceeds of NOK 2.9 billion related to the disposal of fixed non-core assets in Sweden, receipt of NOK 1.0 final instalment from the sale of operation in Central and Eastern Europe in 2018, partly offset by net negative effect of NOK 1.4 billion related to the sale of Myanmar. Cash flow from M&A activities of NOK 1.9 billion during the same period last year included receipt of instalments of NOK 2.0 billion related to the sale of operations in Central and Eastern Europe in 2018.

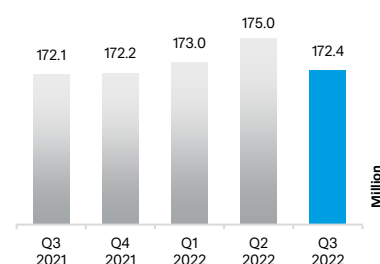


MOBILE SUBSCRIPTIONS

The Group's mobile subscription base decreased by 2.6 million and stood at 172 million at the end of the quarter.

The reduction was mainly driven by Asia with Grameenphone in Bangladesh and Telenor Pakistan having decreases of 2.9 million and 0.8 million subscribers, respectively. In Bangladesh, the decline was primarily a result of the ban on sale of SIM cards, while Pakistan was impacted by flooding and network outages. Digi in Malaysia and dtac in Thailand continued to grow their subscriber bases, adding 0.2 million and 0.8 million subscribers, respectively.

In the Nordics, Sweden and DNA increased their subscriber bases, by 32 000 and 27 000 subscriptions, respectively. Denmark had a decline of 4 000 subscribers, while Norway ended the quarter with a decline of 14 000, which was driven by loss of a public contract.



¹⁾ The comments are related to Telenor's development in the third quarter of 2022 compared to the third quarter of 2021 and are based on current Group structure unless otherwise stated. Please refer to page 29 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 third quarter of 2022 compared to the third quarter of 2021, unless otherwise stated. Please refer to Definitions on page 29 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

Telenor Norway continued to progress on its modernisation journey. The 5G network now covers more than 62% of the population. Within the fixed business, only 20 000 retail telephony and internet subscribers remain on the copper network and these subscribers will be migrated to new solutions by end of the year.

Mobile ARPU increased by 3% from continued demand for value-added services, as well as increased roaming revenues and price adjustments. Mobile subscriptions decreased by 14 000, mainly due to the loss of a contract in the business segment. Mobile service revenues increased by 3%.

The growth within fixed non-legacy services continued, with an increase of 4 000 fibre subscriptions and 5 000 fixed wireless access subscriptions. Fixed non-legacy service revenues increased by 4%, partly compensating for the decline in copper revenues which remains high throughout the year.

Total service revenues decreased by 1%. Excluding fixed legacy revenues, service revenues increased by 3%.

Opex increased by 3% mainly due to higher activity levels and personnel related costs, partly offset by lower fault correction costs resulting from the copper decommissioning. EBITDA decreased by 9%. The reduction was mainly driven by the impact on gross profit from the copper decommissioning and higher energy costs. The decrease in EBIT was due to severance packages and higher depreciation.

Capex to sales stood at 25% with an increase of NOK 0.3 billion compared to the same period last year, mainly due to the mobile network modernisation.

On 7 October, an agreement was signed with a consortium of KKR and Oslo Pensjonsforsikring to divest 30% of the newly established passive fibre infrastructure company, Telenor Fiber AS. The transaction, which will result in proceeds of NOK 10.8 billion, is expected to be completed early 2023.

NOK in million	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
Revenues mobile operation					
Mobile subscription and traffic	2 915	2 851	8 544	8 396	11 210
Other mobile services	131	116	363	342	463
Total mobile service revenues	3 045	2 967	8 907	8 738	11 673
Wholesale and other mobile	348	309	997	854	1 161
Non-mobile	633	589	1 944	1 778	2 518
Total revenues mobile operation	4 026	3 865	11 847	11 370	15 353
Telephony	47	135	217	451	572
Internet and TV	1 722	1 778	5 151	5 278	7 036
Other fixed services	138	143	423	439	588
Total fixed service revenues	1 907	2 055	5 791	6 168	8 195
Hardware	80	48	148	149	243
Wholesale and broadcasting	364	379	1 095	1 218	1 571
Total revenues fixed operation	2 350	2 482	7 034	7 535	10 009
Total service revenues	4 952	5 022	14 698	14 906	19 869
Total revenues	6 376	6 347	18 881	18 904	25 362
Gross profit	4 796	5 047	14 578	14 982	19 910
Operating expenses	(1 697)	(1 649)	(5 347)	(5 319)	(7 152)
EBITDA before other items	3 099	3 398	9 231	9 663	12 758
Operating profit	1 200	1 679	3 557	4 534	4 987
EBITDA before other items/Total revenues (%)	49	54	49	51	50
Capex excl. Licences and Spectrum	1 615	1 362	4 559	3 848	5 515
Statistics (monthly in NOK):					
Mobile ARPU	369	357	360	349	350
Fixed Internet ARPU	500	455	497	443	447
TV ARPU	379	356	366	347	349
No. of subscriptions - Change in quarter/Total					
Mobile	(14)	(1)	2 719	2 764	2 746
Fixed Internet*	(6)	(12)	733	757	743
TV	(5)	(7)	541	568	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

Telenor Sweden reported total service revenue growth of 4%. The growth in mobile continued in both the consumer and business segments, with 32 000 total additions to the subscriber base, following the well-received new product portfolios in the second quarter. ARPU increased by 3% compared to the same quarter last year, mainly from upselling to larger subscriptions and increased roaming revenues. Mobile service revenues increased by 6% whereas fixed revenues remained stable.

Opex increased by 2%, mainly due to higher subscriber acquisition activities. Organic EBITDA increased by 5%.

Capex to sales stood at 12% and was mainly related to network and IT modernisation.

On 1 February 2022, Telenor Sweden completed the sale of its non-core fixed assets, Open Universe and SDU fibre, resulting in sale proceeds of NOK 2.9 billion. The comment on EBITDA development is on organic basis, i.e., adjusted for this disposal.

NOK in million	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
Revenues mobile operation					
Mobile subscription and traffic	1 381	1 391	4 037	4 131	5 480
Other mobile services	54	55	172	163	233
Total mobile service revenues	1 435	1 447	4 210	4 294	5 713
Wholesale and other mobile	171	172	498	487	657
Non-mobile	578	505	1 646	1 484	2 106
Total revenues mobile operation	2 185	2 123	6 353	6 265	8 476
Telephony	24	31	75	97	125
Internet and TV	704	754	2 129	2 253	2 992
Other fixed services	42	38	114	105	158
Total fixed service revenues	770	823	2 318	2 456	3 276
Wholesale and broadcasting	8	89	51	268	355
Total revenues fixed operation	779	912	2 370	2 724	3 631
Total service revenues	2 206	2 270	6 528	6 750	8 989
Total revenues	2 963	3 035	8 723	8 989	12 107
Gross profit	1 846	1 984	5 492	5 834	7 786
Operating expenses	(762)	(798)	(2 450)	(2 482)	(3 352)
EBITDA before other items	1 084	1 186	3 043	3 352	4 434
Operating profit	446	500	2 893	1 416	1 777
EBITDA before other items/Total revenues (%)	36.6	39.1	34.9	37.3	36.6
Capex excl. Licences and Spectrum	365	329	1 074	889	1 504
Statistics (monthly in NOK):					
Mobile ARPU	170	177	168	177	176
Fixed Internet ARPU	223	235	223	234	233
TV ARPU	127	143	129	142	141
No. of subscriptions - Change in quarter/Total (in thousands):					
Mobile	32	(21)	2 917	2 793	2 818
Fixed Internet	(3)	3	694	699	698
TV*	-	(3)	484	476	470
Exchange rate (NOK/SEK, average for the period)	-	-	0.9502	1.0070	1.0013

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

Denmark

Telenor Denmark delivered underlying service revenue growth of 4%. Mobile ARPU increased by 3%, explained by price adjustments and increased roaming revenues. The fixed broadband base remained stable as a decrease in legacy products was offset by continued growth in fibre and cable solutions. The mobile subscription base declined by 4000.

EBITDA decreased by 6% as higher electricity prices more than offset the positive impact of higher service revenues.

NOK in million	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
Revenues mobile operation					
Mobile subscription and traffic	745	744	2 163	2 186	2 903
Other mobile services	52	21	166	62	83
Total mobile service revenues	797	765	2 329	2 248	2 985
Wholesale and other mobile	151	166	440	416	608
Non-mobile	296	291	877	868	1 251
Total revenues mobile operation	1 245	1 222	3 646	3 532	4 844
Telephony	21	24	62	78	97
Internet and TV	115	105	327	301	405
Total fixed service revenues	136	129	389	378	502
Total revenues fixed operation	136	129	389	379	502
Total service revenues	933	894	2 718	2 627	3 487
Total revenues	1 381	1 350	4 036	3 910	5 346
Gross profit	750	792	2 286	2 353	3 131
Operating expenses	(397)	(406)	(1 237)	(1 250)	(1 717)
EBITDA before other items	353	386	1 049	1 103	1 413
Operating profit	122	142	355	354	434
EBITDA before other items/Total revenues (%)	25.6	28.6	26.0	28.2	26.4
Capex excl. Licences and Spectrum	180	179	491	380	683
Statistics (monthly in NOK):					
Mobile ARPU	164	163	160	158	159
Fixed Internet ARPU	296	287	286	277	277
No. of subscriptions - Change in quarter/Total (in thousands):					
Mobile	(4)	5	1 651	1 688	1 646
Fixed Internet	-	2	118	113	114
Exchange rate (NOK/DKK, average for the period)	-	-	1.3454	1.3747	1.3661

DNA - Finland

DNA in Finland increased their service revenues by 4%. The growth was supported by higher mobile ARPU and larger subscriber bases in both the mobile and fixed segments.

The mobile subscription base increased by 27 000, mainly in the consumer segment. Mobile ARPU improved by 3%, following upgrades to high value tariffs as well as price adjustments.

11 000 fixed broadband subscriptions were added, during the quarter, bringing the base to 636 000, which is 6% larger than the same period last year. Fixed broadband ARPU declined marginally.

Opex increased by 6% due to higher electricity price and sales promotions. Reported EBITDA increased by 9%. Adjusted for a one-time effect last year and higher Group charges, EBITDA improved by 1%.

Capex in the quarter was mainly supporting the ongoing network modernisation programme. The 5G population coverage surpassed 75% during this quarter.

NOK in million	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
Revenues mobile operation					
Mobile subscription and traffic	1 361	1 331	3 969	3 921	5 207
Other mobile services	30	27	86	79	106
Total mobile service revenues	1 390	1 358	4 055	3 999	5 313
Wholesale and other mobile	107	112	325	348	473
Non-mobile	511	352	1 368	1 227	1 742
Total revenues mobile operation	2 009	1 823	5 749	5 574	7 527
Telephony	35	41	105	126	166
Internet and TV	408	403	1 215	1 192	1 596
Other fixed services	59	70	178	201	268
Total fixed service revenues	502	514	1 497	1 519	2 030
Wholesale and broadcasting	14	36	97	119	155
Total revenues fixed operation	517	549	1 595	1 638	2 185
Total service revenues	1 893	1 872	5 552	5 518	7 342
Total revenues	2 525	2 372	7 343	7 212	9 712
Gross profit	1 838	1 755	5 473	5 402	7 241
Operating expenses	(879)	(851)	(2 680)	(2 635)	(3 596)
EBITDA before other items	959	903	2 793	2 767	3 645
Operating profit	310	233	843	766	993
EBITDA before other items/Total revenues (%)	38.0	38.1	38.0	38.4	37.5
Capex excl. Licences and Spectrum	375	368	949	942	1 625
Statistics (monthly in NOK):					
Mobile ARPU	176	176	173	174	173
Fixed Internet ARPU	163	170	164	166	166
TV ARPU	87	78	83	75	76
No. of subscriptions - Change in quarter/Total (in thousands):					
Mobile	27	13	2 746	2 707	2 699
Fixed Internet	11	7	636	601	603
TV	(3)	(2)	237	273	262
Exchange rate (NOK/EUR, average for the period)	-	-	10.0095	10.2233	10.1598

dtac - Thailand

In Thailand, dtac's service revenues and ARPU decreased by 1% and 8%, respectively. The decline was driven by continued intense competition, especially in the postpaid segment. dtac's subscription base increased by 775 000, a significant portion of which was due to reactivation of subscribers following incoming SMS traffic which are expected to churn in the next quarter.

Opex increased by 3%, primarily as a result of increase in energy costs and costs related to the planned amalgamation of dtac and True.

EBITDA decreased by 4% due to the revenue decline combined with opex increase.

Capex in the quarter was mainly related to network roll-out and capacity expansion for 4G and 5G.

NOK in million	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
Revenues mobile operation					
Mobile subscription and traffic	3 797	3 697	11 255	11 457	15 093
Other mobile services	29	26	89	71	109
Total mobile service revenues	3 826	3 722	11 344	11 528	15 202
Wholesale and other mobile	88	103	261	308	411
Non-mobile	1 589	1 285	4 759	4 377	6 265
Total revenues mobile operation	5 503	5 110	16 365	16 213	21 878
Total service revenues	3 826	3 722	11 344	11 528	15 202
Total revenues	5 503	5 110	16 365	16 213	21 878
Gross profit	3 261	3 195	9 628	9 920	12 997
Operating expenses	(1 288)	(1 216)	(3 467)	(3 682)	(4 930)
EBITDA before other items	1 973	1 978	6 161	6 238	8 067
Operating profit	384	463	1 342	1 662	1 884
EBITDA before other items/Total revenues (%)	35.9	38.7	37.7	38.5	36.9
Capex excl. Licences and Spectrum	541	928	2 551	2 842	3 852
Statistics (monthly in NOK):					
Mobile ARPU	62	66	63	68	67
No. of subscriptions - Change in quarter/Total (in thousands):					
Mobile	775	26	21 053	19 274	19 561
Exchange rate (NOK/THB, average for the period)	-	-	0.2722	0.2714	0.2690

Digi - Malaysia

In Malaysia, Digi's subscriber base continued to grow, resulting in net subscriber growth of 210 000. At the end of the quarter, the total subscriber base stood at 10.7 million, which is 3% higher than at the same period last year.

Despite the subscriber growth, service revenues decreased by 1%, as ARPU pressure continued in both prepaid and postpaid segments.

Opex increased by 7%, mainly from higher network and IT related cost, as well as cost related to the ongoing merger process. EBITDA decreased by 7%.

Capex in the quarter was mainly related to 4G capacity and coverage expansion and IT platform modernisation.

On 15 September, Digi and Celcom received clearance from the Securities Commission in Malaysia for the proposed merger. The transaction is expected to close within year end, following approval by the companies' shareholder meetings.

NOK in million	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
Revenues mobile operation					
Mobile subscription and traffic	2 807	2 690	8 202	7 995	10 635
Other mobile services	63	38	165	110	154
Total mobile service revenues	2 869	2 729	8 368	8 105	10 789
Wholesale and other mobile	66	75	196	215	286
Non-mobile	474	504	1 389	1 516	2 062
Total revenues mobile operation	3 410	3 308	9 953	9 836	13 136
Total service revenues	2 869	2 729	8 368	8 105	10 789
Total revenues	3 410	3 308	9 953	9 836	13 136
Gross profit	2 544	2 450	7 453	7 120	9 500
Operating expenses	(889)	(780)	(2 611)	(2 392)	(3 219)
EBITDA before other items	1 655	1 670	4 841	4 728	6 281
Operating profit	944	993	2 783	2 743	3 626
EBITDA before other items/Total revenues (%)	48.5	50.5	48.6	48.1	47.8
Capex excl. Licences and Spectrum	375	346	922	1 058	1 666
Statistics (monthly in NOK):					
Mobile ARPU	90	89	90	88	88
No. of subscriptions - Change in quarter/Total (in thousands):					
Mobile	210	148	10 722	10 365	10 318
Exchange rate (NOK/MYR, average for the period)	-	-	2.1673	2.0694	2.0734

Grameenphone - Bangladesh

Grameenphone achieved 7% growth in service revenues driven by higher data usage and increased voice prices. Data revenues increased by 11%.

Opex increased by 9%, mainly due to higher sales and marketing spend. Also energy cost increased, on account of increased energy consumption following deployment of new network sites. EBITDA increased by 5%.

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

The subscriber base declined by 2.9 million during the quarter as a consequence of Grameenphone end of June being barred from selling sim cards. At the end of the quarter, the subscriber base stood at 81.8 million, which is 2% lower than the same period last year. The restriction on selling sim cards was partially lifted late September.

NOK in million	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
Revenues mobile operation					
Mobile subscription and traffic	3 824	3 551	11 190	10 200	13 683
Other mobile services	6	7	18	21	27
Total mobile service revenues	3 830	3 558	11 208	10 220	13 710
Wholesale and other mobile	139	140	409	405	541
Non-mobile	56	47	167	150	213
Total revenues mobile operation	4 024	3 745	11 783	10 775	14 464
Total service revenues	3 830	3 558	11 208	10 220	13 710
Total revenues	4 024	3 745	11 783	10 775	14 464
Gross profit	3 750	3 503	10 940	10 062	13 496
Operating expenses	(1 245)	(1 134)	(3 697)	(3 311)	(4 444)
EBITDA before other items	2 505	2 369	7 242	6 751	9 052
Operating profit	1 783	1 631	5 043	4 818	6 403
EBITDA before other items/Total revenues (%)	62.3	63.3	61.5	62.7	62.6
Capex excl. Licences and Spectrum	293	205	1 289	1 081	1 745
Statistics (monthly in NOK):					
Mobile ARPU	16	15	15	14	14
No. of subscriptions - Change in quarter/Total (in thousands):					
Mobile	(2 861)	1 555	81 792	83 581	83 263
Exchange rate (NOK/BDT, average for the period)	-	-	0.1044	0.1009	0.1011

Pakistan

Pakistan was affected by unprecedented flooding this quarter, affecting around 33 million people, which amounts to around 15% of Pakistan's population. The situation impacted the spending power of consumers and also caused network outages along with increasing cost.

On 14 October, Islamabad High Court decided the case of applicability of sim tax in favor of Telenor Pakistan for the period from 1 July 2014 to 30 June 2020. As a consequence, provision for sim tax was reversed, which impacted service revenues positively by NOK 0.1 billion and EBITDA positively by NOK 0.6 billion. The tax was already abolished with effect from 1 July 2020.

Service revenues, on an underlying basis, decreased by 3%, negatively impacted by the flooding situation. However, data revenues increased by 18%. Reported service revenues increased by 10%, positively impacted by the reversal of sim tax provision.

Subscriber based declined by 756 000. At the end of the quarter, the subscribers base stood at 48.8 million, which is the same level as the same period last year.

Opex increased by 32%, mainly due to higher energy prices. Underlying EBITDA declined by 22%, driven by increase in opex. Reported EBITDA increased by 70%, positively impacted by the reversal of sim tax provision.

NOK in million	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
Revenues mobile operation					
Mobile subscription and traffic	1 089	1 180	3 278	3 516	4 621
Other mobile services	6	7	16	20	26
Total mobile service revenues	1 095	1 187	3 294	3 535	4 647
Wholesale and other mobile	181	193	498	590	772
Non-mobile	45	45	139	144	186
Total revenues mobile operation	1 320	1 425	3 930	4 270	5 604
Total service revenues	1 095	1 187	3 294	3 535	4 647
Total revenues	1 320	1 425	3 930	4 270	5 604
Gross profit	1 642	1 245	3 950	3 726	4 890
Operating expenses	(546)	(493)	(1 579)	(1 428)	(1 915)
EBITDA before other items	1 096	752	2 371	2 298	2 976
Operating profit	836	305	(1 228)	962	1 216
EBITDA before other items/Total revenues (%)	83.0	52.8	60.3	53.8	53.1
Capex excl. Licences and Spectrum	117	158	485	630	718
Statistics (monthly in NOK):					
Mobile ARPU	9	9	9	9	9
No. of subscriptions - Change in quarter/Total (in thousands):					
Mobile	(756)	48	48 792	48 885	49 125
Exchange rate (NOK/PKR, average for the period)	-	-	0.0476	0.0538	0.0528

Other units

The Other units segment includes Telenor Infra, Adjacent Businesses (Telenor Amp), other smaller businesses, and Corporate Functions.

Total revenues increased by NOK 0.5 billion and EBITDA increased by NOK 0.3 billion.

Telenor Infra increased their revenues by NOK 0.3 billion due to higher colocation prices which is included in the colocation product. EBITDA increased by NOK 0.2 billion as a result of higher colocation lease revenues. Telenor Infra operates 11 000 mobile sites with a tenancy ratio of 1.6 and 4 400 other sites.

Telenor Maritime, which provides communication services to the maritime sector, increased their revenues by 87% as a result of post pandemic recovery in the ferry and cruise segments, with ferry revenues now trending above pre-pandemic levels.

Telenor Connexion, a global provider of IoT services, grew their revenues by 15%, driven by increased SIM base, higher monthly fees, as well as growth in traffic levels across the customer base. Revenues were also supported by favourable currency effects. EBITDA grew by 3% as a result of the higher revenues, partly offset by increased opex.

NOK in million	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
Revenues					
Infra	792	468	1 979	1 330	1 804
Satellite	238	225	684	642	861
Connexion	209	194	611	567	759
Maritime	179	96	372	188	287
Other Businesses	666	582	1 860	1 726	2 238
Corporate Functions	375	406	1 250	1 277	1 739
Eliminations	(41)	(36)	(141)	(123)	(173)
Total revenues	2 418	1 935	6 615	5 606	7 518
Operating expenses	(903)	(914)	(2 922)	(2 666)	(3 817)
EBITDA before other items					
Infra	411	232	1 011	663	816
Satellite	179	171	481	458	609
Connexion	70	72	186	189	228
Maritime	47	21	54	(7)	(10)
Other Businesses	161	96	489	272	320
Corporate Functions	(108)	(119)	(402)	(243)	(444)
Eliminations	(12)	-	(35)	-	(11)
Total EBITDA before other items	748	474	1 785	1 331	1 508
Operating profit (loss)					
Infra	230	44	483	152	133
Satellite	103	100	256	254	327
Connexion	65	68	169	171	205
Maritime	27	-	(9)	(68)	(94)
Other Businesses	148	73	445	137	201
Corporate Functions	(148)	(154)	(504)	(436)	(710)
Eliminations	-	-	-	-	30
Total operating profit (loss)	424	130	841	211	92
Capex excl. Licences and Spectrum	228	139	693	407	635
Investments in businesses	-	13	108	203	392

Group performance in 2022

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

Specification of other income and other expenses

NOK in million	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
EBITDA before other income and other expenses	13 059	12 856	37 221	37 418	49 162
Other income	47	5	47	43	28
Gains on disposals of property, plant and equipment (PPE) and operations	8	16	1 932	74	145
Total other income	55	21	1 979	116	173
Losses on disposals of property, plant and equipment (PPE) and operations	(89)	16	(426)	(228)	(499)
Workforce reductions, onerous (loss) contracts and other	(134)	(189)	(550)	(445)	(1 461)
Total other expenses	(223)	(174)	(976)	(673)	(1 960)
EBITDA	12 891	12 703	38 224	36 862	47 375

Total other expenses this quarter consisted mainly of workforce reductions (of which NOK 91 million in Telenor Norway). In the third quarter last year, other expenses related mainly to workforce reductions (of which NOK 134 million in Grameenphone).

For the first three quarters of 2022, total other income consisted mainly of NOK 1.7 billion gain on divestment of fixed non-core assets and NOK 95 million related to gain on sale of licenses in Telenor Sweden. Total other expenses consisted mainly of workforce reductions (of which NOK 347 million in Telenor Norway and NOK 119 million in Grameenphone) and NOK 150 million damaged fixed assets in a fire in dtac. In the first three quarters of 2021, other expenses consisted mainly of workforce reductions (of which NOK 209 million in Grameenphone, and NOK 101 million in Telenor Norway).

Impairment Telenor Pakistan

In second quarter 2022, Telenor recognised an impairment of assets of NOK 2.5 billion related to Telenor Pakistan as a result of several negative developments. A significant increase in interest rates, country risk premium and market premiums impacted the Weighted Average Cost of Capital. A hike in energy prices and increased global inflation made the outlook for Telenor Pakistan challenging. Further, the Supreme Court in Pakistan concluded the license fee to remain at the level set by the Pakistani Telecommunication Authority. As a consequence, the Group reassessed the value in use of non-current assets and recognised impairment losses in the second quarter related to property, plant and equipment and right-of-use assets in Telenor Pakistan. See Note 2. No further impairment indicators have been identified in the third quarter 2022.

Operating profit

Year to date, the reported operating profit decreased by NOK 1.1 billion to NOK 16.4 billion primarily due to Telenor Pakistan's impairment of NOK 2.5 billion in the second quarter, partly offset by the gain of NOK 1.7 billion on divestment of fixed non-core assets in Sweden in the first quarter.

Associated Companies and Joint Ventures

NOK in million	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
Profit (loss) after taxes	(47)	(88)	(219)	(307)	(480)
Gains (losses) on disposal of ownership interests	(46)	21	(46)	21	21
Profit (loss) from associated companies and joint ventures	(93)	(67)	(266)	(286)	(459)

Net loss after tax from associated companies and joint ventures during the third quarter of 2022 was NOK 47 million which mainly consisted of loss after tax in Carousell of NOK 54 million and in Telenor Microfinance Bank of NOK 40 million. This was partly offset by profit after tax in Allente Group AB (Allente) of NOK 60 million. Group's economic interest in Carousell was diluted following new capital contribution from other investors and the loss recognised during the third quarter of 2022 was NOK 46 million. Third quarter of 2021 mainly includes loss after tax from Telenor Microfinance Bank of NOK 76 million which was partly offset by profit after tax in Allente of NOK 43 million.

In the third quarter of 2022, Allente generated revenues of NOK 1.6 billion, a decrease of 7% as compared to the third 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 37% as compared to the same quarter last year mainly due to lower restructuring cost for dish turning project in 2022.

In the first three quarters of 2022, Allente generated revenues and EBITDA of NOK 4.8 billion and NOK 0.8 billion, respectively, compared to NOK 5.2 billion and NOK 0.6 billion, respectively, in the first three quarters of 2021.

Financial items

NOK in million	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
Financial income	232	129	562	409	566
Financial expenses	(1 016)	(926)	(2 596)	(2 670)	(3 553)
Net currency gains (losses)	(2 375)	(833)	(4 571)	(836)	(1 066)
Net change in fair value of financial instruments	56	86	518	45	84
Net gains (losses and impairment) of financial assets and liabilities	-	1	(1)	6	7
Net financial income (expenses)	(3 103)	(1 542)	(6 088)	(3 047)	(3 962)
Gross interest expenses related to interest-bearing liabilities and lease	(951)	(747)	(2 273)	(2 241)	(2 999)

Net interest expenses	(771)	(665)	(1 867)	(1 967)	(2 616)
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Net financial items in the third quarter increased by NOK 1.6 billion compared to the same quarter last year. The increase is mostly driven by net currency losses related to loans in USD and intercompany loans in SGD. Also, financial expenses increased by NOK 0.1 billion compared to last year as a result of higher interest cost due to changes in the macro environment.

Net financial items in the first three quarters of 2022 increased by NOK 3.0 billion compared to the same period last year. The increase is driven by net currency losses partly offset by change in fair value of financial instruments. The increase in net currency losses were related to loans in USD and intercompany loans in SGD, and change in fair value of financial instruments was mainly related to gains from interest rate instruments in USD.

Taxes

The effective tax rate this quarter was 33% in line with last year. The effective tax rate for the year is estimated to be around 6%, mainly impacted 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 reversal of NOK 0.3 billion tax provision after a favorable decision by the Tax Appeal Board in Norway to allow for tax deduction on losses related to loans and guarantees.

Cash flow

Net cash inflow from operating activities during the first three quarters of 2022 was NOK 29.9 billion, a decrease of NOK 3.9 billion compared to 2021 mainly explained by negative effects from changes in working capital and sale of Myanmar.

Net cash outflow to investing activities during the first three quarters of 2022 was NOK 11.6 billion, a decrease of NOK 0.6 billion compared to 2021. Proceeds from disposal of business included 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 1.4 billion related to sale of Telenor Myanmar. Proceeds from sale of other investments included deferred consideration for the sale of CEE of NOK 1.0 billion in 2022 and NOK 2.0 billion in 2021. Payments of PPE, intangibles and prepayments of right-of-use assets during the first three quarters of 2022 were NOK 0.1 billion higher compared to last year.

Net cash outflow to financing activities during the first three quarters of 2022 was NOK 20.1 billion. This is explained by repayments of lease obligations of NOK 4.1 billion, repayments of licence obligations of NOK 1.6 billion and dividends paid of NOK 9.8 billion (NOK 7.0 billion paid to Telenor ASA shareholders and NOK 2.8 billion to non-controlling interests).

Cash and cash equivalents decreased by NOK 1.0 billion during the first three quarters to NOK 16.0 billion as of 30 September 2022.

Financial position

During the first three quarters of 2022, total assets increased by NOK 7.8 billion to NOK 233.6 billion. The increase was primarily caused by the depreciation of Norwegian Krone against most relevant currencies.

During the first three quarters of 2022, net debt increased by NOK 2.3 billion to NOK 103.1 billion driven primarily by positive free cashflow adjusted for sale of Telenor Myanmar of NOK 11.0 billion, offset by dividends to equity holders of Telenor ASA of NOK 7.0 billion and negative currency translation effects of approximately NOK 6.5 billion. Interest-bearing liabilities excluding licence obligations increased by NOK 2.2 billion. Cash and cash equivalents increased by NOK 1.0 billion.

During the first three quarters of 2022, total equity decreased by NOK 1.8 billion to NOK 29.7 billion. The decrease was due to dividends to equity holders of Telenor ASA and non-controlling interests of NOK 15.9 billion. This was partially offset by positive net income from total operations of NOK 9.2 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 1.6 billion and positive currency translation effects of NOK 2.2 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 conflict in Ukraine and the resulting sanctions on Russia and Belarus increase the likelihood of cyber-attacks on western countries and sabotage of critical infrastructure, where Telenor may be subject to both direct cyber-attacks and collateral damage. Critical infrastructure outside Telenor has been targeted (Nordstream 1 and 2), resulting in a heightened threat level. Although Telenor has not observed any direct severe cyber or physical attacks, management is following the highly volatile situation by continuous monitoring the threat landscape driving risk mitigation and response strategies.

The war in Ukraine has also generated a sharp increase in energy prices following the shortage of supply, and there is increased risk of supply chain disruption due to escalating trade tension and sanctions. In the event of prolonged conflict, there could be higher inflation and potential disruption in the financial market. These risks require continuous monitoring and are being closely followed up at both local and Group level.

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. Currency fluctuations on internal loans might also significantly impact the income statement. Telenor has both fixed and floating rate debt, and changes in interest rates will impact the income statement.

The Group is exposed to climate-related physical risks such as potential damage to vital infrastructure and utilities from 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.

The COVID-19 pandemic still has some impact on the supply chain due to lock down in China.

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.

For new developments of legal disputes and contingencies since the publication of the Group's Annual Report for 2021, see Note 7 *Legal Disputes*.

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, 25 October 2022
The Board of Directors of Telenor ASA

Interim condensed financial information

Consolidated income statement

Telenor Group

NOK in million	Note	Third quarter		First three quarters		Year
		2022	2021	2022	2021	2021
Revenues	3	28 428	27 411	83 473	82 087	110 241
Total cost of materials and traffic charges		(7 267)	(6 852)	(21 785)	(21 056)	(29 176)
Salaries and personnel costs		(2 407)	(2 414)	(7 750)	(7 798)	(10 457)
Other operating expenses		(5 694)	(5 289)	(16 718)	(15 815)	(21 446)
Other income		55	21	1 979	116	173
Other expenses		(223)	(174)	(976)	(673)	(1 960)
EBITDA		12 891	12 703	38 224	36 862	47 375
Depreciation and amortisation		(6 459)	(6 617)	(19 375)	(19 419)	(25 868)
Impairment losses	2	20	4	(2 480)	(1)	-
Operating profit (loss)		6 453	6 091	16 368	17 442	21 506
Share of net income from associated companies and joint ventures		(93)	(67)	(266)	(286)	(459)
Net financial items		(3 103)	(1 542)	(6 088)	(3 047)	(3 962)
Profit (loss) before taxes		3 256	4 482	10 015	14 109	17 084
Income taxes		(1 080)	(1 464)	362	(4 585)	(5 740)
Profit (loss) from continuing operations		2 177	3 017	10 377	9 523	11 344
Profit (loss) from discontinued operations	4	147	427	(1 142)	(6 220)	(6 753)
Net income		2 323	3 444	9 235	3 303	4 592

Net income attributable to:

Non-controlling interests	774	802	2 229	2 362	3 063
Equity holders of Telenor ASA	1 549	2 642	7 006	942	1 528

Earnings per share in NOK

Basic/diluted from continuing operations	1.00	1.58	5.82	5.12	5.92
Basic/diluted from discontinued operations	0.10	0.31	(0.82)	(4.44)	(4.83)
Basic/diluted from total operations	1.11	1.89	5.01	0.67	1.09

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

Consolidated statement of comprehensive income

Telenor Group

NOK in million	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
Net income	2 323	3 444	9 235	3 303	4 592
Translation differences on net investment in foreign operations	1 980	(456)	3 890	(2 853)	(3 514)
Amount reclassified from other comprehensive income to income statement on partial disposal	-	-	790	-	-
Net gain (loss) on hedge of net investment	(1 048)	76	(2 179)	1 809	2 447
Income taxes	231	(17)	479	(398)	(538)
Share of other comprehensive income (loss) of associated companies and joint ventures	21	8	29	52	75
Amount reclassified from other comprehensive income to income statement on disposal	-	-	-	1	1
Items that may be reclassified subsequently to income statement	1 184	(389)	3 009	(1 389)	(1 529)
Net gain (loss) on equity investments	139	65	206	60	134
Remeasurement of defined benefit pension plans	288	235	2 006	735	266
Income taxes	(63)	(52)	(441)	(162)	(57)
Items that will not be reclassified to income statement	364	248	1 771	633	344
Other comprehensive income (loss), net of taxes	1 548	(141)	4 780	(757)	(1 186)
Total Comprehensive Income	3 871	3 304	14 015	2 547	3 406
Total comprehensive income attributable to:					
Non-controlling interests	938	794	2 616	2 159	2 909
Equity holders of Telenor ASA	2 933	2 510	11 399	388	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 September 2022	31 December 2021	30 September 2021
Deferred tax assets		2 628	2 195	1 419
Goodwill		28 430	27 448	27 853
Intangible assets		10 414	10 195	10 313
Right-of-use assets		52 804	51 565	51 117
Property, plant and equipment		73 935	72 767	72 613
Associated companies and joint ventures		6 099	5 683	5 812
Other non-current assets		16 289	12 046	12 588
Total non-current assets		190 599	181 898	181 715
Prepaid taxes		1 494	1 568	1 813
Inventories		1 840	1 563	1 127
Trade and other receivables		22 688	21 739	23 238
Other current financial assets		735	839	1 014
Assets classified as held for sale	4	-	2 910	2 741
Cash and cash equivalents		16 224	15 223	21 997
Total current assets		42 981	43 843	51 930
Total assets		233 580	225 740	233 645
Equity attributable to equity holders of Telenor ASA		24 730	26 294	26 179
Non-controlling interests		4 968	5 206	4 777
Total equity		29 697	31 500	30 956
Non-current lease liabilities		29 588	28 101	29 693
Non-current interest-bearing liabilities	5	89 408	87 811	88 834
Non-current non-interest-bearing liabilities		2 954	1 388	1 187
Deferred tax liabilities		4 378	4 374	3 992
Pension obligations		2 371	2 429	2 711
Provisions and obligations		8 128	7 971	8 572
Total non-current liabilities		136 827	132 073	134 990
Current lease liabilities		7 816	6 977	8 022
Current interest-bearing liabilities	5	9 937	9 276	10 123
Trade and other payables		31 506	32 315	30 712
Dividend payable		6 036	5	5 601
Current tax payables		4 089	5 149	5 182
Current non-interest-bearing liabilities		1 758	1 969	1 706
Provisions and obligations		687	896	783
Liabilities classified as held for sale	4	5 228	5 580	5 570
Total current liabilities		67 056	62 167	67 699
Total equity and liabilities		233 580	225 740	233 645

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

Consolidated statement of cash flows

Telenor Group

NOK in million	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
Profit before taxes from total operations ¹⁾	3 407	4 959	8 927	7 917	10 385
Income taxes paid	(1 000)	(1 067)	(3 984)	(4 744)	(6 113)
Net (gains) losses from disposals, impairments and change in fair value of financial assets and liabilities	(242)	(121)	(1 375)	63	272
Depreciation, amortisation and impairment losses	6 439	6 664	21 855	26 921	34 363
Loss (profit) from associated companies and joint ventures	93	67	266	286	459
Dividends received from associated companies	98	131	98	405	532
Currency (gains) losses not related to operating activities	2 326	1 208	4 895	1 014	1 160
Changes in working capital and other	(268)	1 231	(825)	1 888	1 215
Net cash flow from operating activities	10 853	13 071	29 857	33 751	42 272
Purchases of property, plant and equipment, intangible assets and prepayment for right-of-use assets	(4 428)	(4 134)	(14 584)	(14 511)	(19 447)
Purchases of subsidiaries, associated companies and joint ventures, net of cash acquired	(14)	(13)	(194)	(205)	(391)
Proceeds from disposal of PPE, intangible assets, associated companies and businesses, net of cash disposed	274	33	1 681	149	178
Proceeds from sale and purchases of other investments	1 111	1 212	1 463	2 330	2 432
Net cash flow from investing activities	(3 056)	(2 902)	(11 634)	(12 237)	(17 228)
Proceeds from and repayments of borrowings	744	(3 692)	(4 473)	(2 609)	(2 930)
Payments of lease liabilities related to spectrum licences	(46)	(320)	(1 574)	(765)	(2 871)
Payments of lease liabilities related to other lease contracts	(1 371)	(1 289)	(4 089)	(4 216)	(5 955)
Net payments of supply chain financing	32	(46)	(102)	(168)	(1)
Purchase of treasury shares	-	-	(27)	-	-
Dividends paid to and purchases of shares from non-controlling interests	(1 202)	(1 330)	(2 803)	(3 225)	(3 551)
Dividends paid to equity holders of Telenor ASA	-	(255)	(6 997)	(6 997)	(12 595)
Net cash flow from financing activities	(1 843)	(6 932)	(20 064)	(17 980)	(27 903)
Effects of exchange rate changes on cash and cash equivalents	774	(408)	854	(453)	(245)
Net change in cash and cash equivalents	6 729	2 829	(987)	3 080	(3 103)
Cash and cash equivalents at the beginning of the period	9 269	20 339	16 985	20 088	20 088
Cash and cash equivalents at the end of the period ²⁾	15 998	23 168	15 998	23 168	16 985
Of which cash and cash equivalents in assets held for sale at the end of the period	-	1 428	-	1 428	1 863
Cash and cash equivalents in continuing operations at the end of the period	15 998	21 740	15 998	21 740	15 121
¹⁾ Profit before taxes from total operations consists of:					
Profit before taxes from continuing operations	3 256	4 482	10 015	14 109	17 084
Profit before taxes from discontinued operations	151	477	(1 088)	(6 192)	(6 699)
Profit before taxes from total operations	3 407	4 959	8 927	7 917	10 385

2) As of 30th September 2022, restricted cash was NOK 9.5 million, while as of 30th September 2021, restricted cash was NOK 8.2 million.

Cash flow from discontinued operations

NOK in million	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
Net cash flow from operating activities	-	865	571	1 907	2 574
Net cash flow from investing activities	265	(26)	(1 422)	(221)	(256)
Net cash flow from financing activities	-	(248)	(174)	(721)	(981)
Total cash flows from discontinued operations	265	591	(1 025)	965	1 337
Effects of exchange rate changes on cash and cash equivalents	-	(217)	9	(301)	(229)
Net cash flows from discontinued operations	265	374	(1 016)	664	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	Non-controlling interests	Total equity
	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences			
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	-	-	7 006	-	7 006	2 229	9 235
Other comprehensive income for the period	-	1 799	-	2 593	4 393	387	4 779
Total comprehensive income for the period	-	1 799	7 006	2 593	11 399	2 616	14 016
Acquisition of subsidiaries with NCI	-	-	-	-	-	3	3
Dividends	-	-	(13 015)	-	(13 015)	(2 857)	(15 872)
Share - based payment, exercise of share options and distribution of shares	-	51	-	-	51	-	51
Equity as of 30 September 2022	8 466	(19 680)	37 972	(2 034)	24 730	4 968	29 698

NOK in million	Attributable to equity holders of the parent				Total	Non-controlling interests	Total equity
	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences			
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	-	-	942	-	942	2 362	3 303
Other comprehensive income for the period	-	686	-	(1 239)	(554)	(203)	(757)
Total comprehensive income for the period	-	686	942	(1 239)	388	2 159	2 547
Transactions with non-controlling interests	-	-	(1)	-	(1)	(1)	(3)
Equity adjustments in associated companies	-	3	-	-	3	-	3
Dividends	-	-	(12 595)	-	(12 595)	(2 974)	(15 569)
Share - based payment, exercise of share options and distribution of shares	-	60	-	-	60	-	60
Equity as of 30 September 2021	8 466	(21 265)	43 394	(4 420)	26 180	4 777	30 956

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 nine months ending 30 September 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 of this report.

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 second quarter 2022, Telenor recognised an impairment of assets of NOK 2.5 billion related to Telenor Pakistan as a result of several negative developments. A significant increase in interest rates, country risk premium and market premiums impacted the Weighted Average Cost of Capital. A hike in energy prices and increased global inflation made the outlook for Telenor Pakistan challenging. Further, one of the key assumptions in the assessment at year end 2021 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. In June 2022 Telenor completed an assessment of value in use based on discounted cash flows of Telenor Pakistan with updated earnings projections. As a consequence 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 was estimated to be NOK 5.8 billion as of 30 June 2022. No further impairment indicators have been identified in third quarter 2022.

The impairment per class of asset was as follows:

NOK in million	Second quarter 2022
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	Second quarter 2022
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 was estimated based on expectations on available spectrum and expected market share. The market growth in Pakistan was estimated to be in line with long-term inflation expectations.
- EBITDA was estimated based on the current margin level and expected future market development.
- Capex was 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 was estimated based on the long-term inflation forecast for Pakistan.
- The WACC was 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 considered 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.

Third quarter 2022

NOK in millions	Norway	Sweden	Denmark	DNA Finland	dtac Thailand	Digi Malaysia	Grameenphone Bangladesh	Pakistan	Other units	Eliminations	Group
Type of good/ services											
Mobile operation	4 025	2 136	1 237	1 974	4 610	3 356	3 977	1 286	-	(286)	22 314
Services	3 517	1 673	948	1 516	4 048	2 935	3 971	1 284	-	(285)	19 606
Goods	508	463	289	458	562	421	6	2	-	(1)	2 708
Fixed operation	2 121	777	136	517	-	-	-	-	566	(169)	3 947
Services	2 020	775	136	517	-	-	-	-	566	(154)	3 859
Goods	101	2	-	-	-	-	-	-	-	(15)	88
Other	148	-	-	-	-	-	-	-	1 025	(397)	776
Services	148	-	-	-	-	-	-	-	1 025	(397)	776
Goods	-	-	-	-	-	-	-	-	-	-	-
Sum type of goods/services	6 294	2 913	1 373	2 490	4 610	3 356	3 977	1 286	1 591	(852)	27 038
Type of mobile subscription											
Contract	2 994	1 409	812	1 382	2 539	1 366	180	60	-	(32)	10 711
Prepaid	25	66	-	61	1 333	1 493	3 783	1 208	-	(108)	7 861
Other ¹⁾	497	197	136	73	176	77	9	15	-	(146)	1 034
Sum services in Mobile operation	3 517	1 673	948	1 516	4 048	2 935	3 971	1 284	-	(285)	19 606
Timing of revenue recognition											
Over time	5 685	2 448	1 084	2 032	4 048	2 935	3 971	1 284	1 591	(836)	24 242
At a point in time	609	465	289	458	562	421	6	2	-	(16)	2 796
Total revenue from contract with customers	6 294	2 913	1 373	2 490	4 610	3 356	3 977	1 286	1 591	(852)	27 038
Other revenue ²⁾	83	50	8	35	893	54	48	34	827	(641)	1 390
Total revenue	6 376	2 963	1 381	2 525	5 503	3 410	4 024	1 320	2 418	(1 493)	28 428
Segment revenue as presented in note 9	6 376	2 963	1 381	2 525	5 503	3 410	4 024	1 320	2 418	(1 493)	28 428

¹⁾ Other includes revenues from other mobile and non-mobile services, refer to definitions on page 29.

²⁾ Other revenues include mainly lease revenue.

First three quarters 2022

NOK in millions	Norway	Sweden	Denmark	DNA Finland	dtac Thailand	Digi Malaysia	Grameenphone Bangladesh	Pakistan	Other units	Eliminations	Group
Type of good/ services											
Mobile operation	11 842	6 208	3 626	5 650	13 729	9 802	11 644	3 825	-	(764)	65 560
Services	10 323	4 914	2 769	4 436	11 981	8 566	11 624	3 817	-	(762)	57 669
Goods	1 518	1 293	856	1 214	1 748	1 236	20	8	-	(2)	7 891
Fixed operation	6 354	2 364	389	1 595	-	-	-	-	1 561	(474)	11 790
Services	6 142	2 359	389	1 595	-	-	-	-	1 561	(432)	11 614
Goods	213	5	-	-	-	-	-	-	-	(42)	176
Other	438	-	-	-	-	-	-	-	3 001	(1 290)	2 149
Services	438	-	-	-	-	-	-	-	2 993	(1 290)	2 141
Goods	-	-	-	-	-	-	-	-	8	-	8
Sum type of goods/services	18 634	8 572	4 015	7 245	13 729	9 802	11 644	3 825	4 562	(2 528)	79 499
Type of mobile subscription											
Contract	8 787	4 183	2 379	4 052	7 619	3 953	517	135	-	(72)	31 554
Prepaid	81	147	-	167	3 865	4 407	11 077	3 636	-	(297)	23 083
Other ¹⁾	1 455	584	390	217	496	207	30	46	-	(394)	3 032
Sum services in Mobile operation	10 323	4 914	2 769	4 436	11 981	8 566	11 624	3 817	-	(762)	57 669
Timing of revenue recognition											
Over time	16 903	7 273	3 159	6 031	11 981	8 566	11 624	3 817	4 554	(2 484)	71 424
At a point in time	1 731	1 299	856	1 214	1 748	1 236	20	8	8	(44)	8 076
Total revenue from contract with customers	18 634	8 572	4 015	7 245	13 729	9 802	11 644	3 825	4 562	(2 528)	79 499
Other revenue ²⁾	247	150	21	98	2 636	151	140	106	2 053	(1 630)	3 974
Total revenue	18 881	8 723	4 036	7 343	16 365	9 953	11 783	3 930	6 615	(4 157)	83 473
Segment revenue as presented in note 9	18 881	8 723	4 036	7 343	16 365	9 953	11 783	3 930	6 615	(4 157)	83 473

¹⁾ Other includes revenues from other mobile and non-mobile services, refer to definitions on page 29.

²⁾ Other revenues include mainly lease revenue.

Third quarter 2021

NOK in millions	Norway	Sweden	Denmark	DNA Finland	dtac Thailand	Digi Malaysia	Grameenphone Bangladesh	Pakistan	Other units	Eliminations	Group
Type of good/ services											
Mobile operation	3 864	2 065	1 214	1 815	4 270	3 249	3 702	1 390	-	(257)	21 312
Services	3 420	1 660	935	1 513	3 962	2 805	3 698	1 388	-	(257)	19 124
Goods	444	406	279	302	308	445	3	2	-	-	2 188
Fixed operation	2 265	910	129	549	-	-	-	-	450	(136)	4 168
Services	2 208	909	129	549	-	-	-	-	450	(122)	4 123
Goods	57	2	-	-	-	-	-	-	-	(15)	44
Other	140	-	-	-	-	-	-	-	994	(447)	687
Services	140	-	-	-	-	-	-	-	993	(447)	686
Goods	-	-	-	-	-	-	-	-	1	-	1
Sum type of goods/services	6 269	2 976	1 343	2 364	4 270	3 249	3 702	1 390	1 444	(840)	26 166
Type of mobile subscription											
Contract	2 930	1 448	825	1 372	2 545	1 273	162	40	-	(30)	10 566
Prepaid	30	48	-	55	1 249	1 482	3 529	1 331	-	(97)	7 627
Other ¹⁾	460	164	111	86	167	49	7	17	-	(129)	933
Sum services in Mobile operation	3 420	1 660	935	1 513	3 962	2 805	3 698	1 388	-	(257)	19 124
Timing of revenue recognition											
Over time	5 768	2 569	1 064	2 062	3 962	2 805	3 698	1 388	1 443	(826)	23 933
At a point in time	501	407	279	302	308	445	3	2	1	(15)	2 233
Total revenue from contract with customers	6 269	2 976	1 343	2 364	4 270	3 249	3 702	1 390	1 444	(840)	26 166
Other revenue ²⁾	78	60	7	8	841	58	44	35	491	(377)	1 245
Total revenue	6 347	3 035	1 350	2 372	5 110	3 308	3 745	1 425	1 935	(1 217)	27 411
Segment revenue as presented in note 9	6 347	3 035	1 350	2 372	5 110	3 308	3 745	1 425	1 935	(1 217)	27 411

¹⁾ Other includes revenues from other mobile and non-mobile services, refer to definitions on page 29.

²⁾ Other revenues include mainly lease revenue.

First three quarters 2021

NOK in millions	Norway	Sweden	Denmark	DNA Finland	dtac Thailand	Digi Malaysia	Grameenphone Bangladesh	Pakistan	Other units	Eliminations	Group
Type of good/ services											
Mobile operation	11 367	6 111	3 510	5 551	13 670	9 690	10 649	4 161	-	(756)	63 953
Services	9 988	4 916	2 679	4 469	12 234	8 322	10 625	4 154	-	(756)	56 630
Goods	1 379	1 195	831	1 082	1 436	1 368	24	8	-	-	7 323
Fixed operation	6 811	2 717	379	1 638	-	-	-	-	1 347	(439)	12 453
Services	6 578	2 712	379	1 638	-	-	-	-	1 347	(402)	12 251
Goods	233	5	-	-	-	-	-	-	-	(36)	202
Other	492	-	-	-	-	-	-	-	2 873	(1 365)	2 001
Services	492	-	-	-	-	-	-	-	2 869	(1 365)	1 996
Goods	-	-	-	-	-	-	-	-	4	-	4
Sum type of goods/services	18 670	8 828	3 889	7 189	13 670	9 690	10 649	4 161	4 220	(2 559)	78 407
Type of mobile subscription											
Contract	8 627	4 313	2 392	4 067	7 795	3 739	470	124	-	(56)	31 472
Prepaid	94	132	-	154	3 953	4 441	10 131	3 978	-	(282)	22 601
Other ¹⁾	1 267	471	286	248	486	141	24	52	-	(418)	2 558
Sum services in Mobile operation	9 988	4 916	2 679	4 469	12 234	8 322	10 625	4 154	-	(756)	56 630
Timing of revenue recognition											
Over time	17 059	7 628	3 057	6 107	12 234	8 322	10 625	4 154	4 216	(2 523)	70 878
At a point in time	1 612	1 200	831	1 082	1 436	1 368	24	8	4	(36)	7 529
Total revenue from contract with customers	18 670	8 828	3 889	7 189	13 670	9 690	10 649	4 161	4 220	(2 559)	78 407
Other revenue ²⁾	234	161	22	23	2 542	146	126	108	1 386	(1 069)	3 680
Total revenue	18 904	8 989	3 910	7 212	16 213	9 836	10 775	4 270	5 606	(3 628)	82 087
Segment revenue as presented in note 9	18 904	8 989	3 910	7 212	16 213	9 836	10 775	4 270	5 606	(3 628)	82 087

¹⁾ Other includes revenues from other mobile and non-mobile services, refer to definitions on page 29.

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/ services											
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 recognition											
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 29.

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 received USD 50 million (NOK 0.5 billion) at closing and paid USD 4 million as transaction cost. The remaining USD 55 million was agreed to be received in equal installments over the coming 5 years. The deferred payment was not recognised on closing due to the uncertain situation in Myanmar. During third quarter 2022, Telenor received USD 28 million (NOK 0.3 billion) from M1 Group as a final settlement of the transaction, which represents the present value of the remaining USD 55 million deferred payment. The received deferred payment was recognised in the third quarter. The transaction has impacted the equity of Telenor Group positively with NOK 0.2 billion. However, the reclassification of accumulated losses related to translation differences earlier recognised in other comprehensive income impacted the income statement negatively with approximately NOK 0.8 billion, resulted in a net loss on disposal of NOK 0.6 billion. The derecognition of the cash balance in Telenor Myanmar and the total proceeds received have resulted in a net negative cash flow impact of around NOK 1.4 billion in 2022.

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

NOK in million	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
Revenue	-	1 446	1 018	3 688	4 835
EBITDA	-	855	617	2 125	2 751
EBIT	-	805	617	(5 377)	(5 743)
Profit (loss) before tax	-	569	602	(5 960)	(6 185)
Income taxes	-	(50)	(50)	(29)	(53)
Profit (loss) after tax	-	519	553	(5 989)	(6 238)
Gain (loss) on disposal after tax	268	-	(589)	-	-
Profit (loss) from discontinued operations	268	519	(36)	(5 989)	(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	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
Revenue	-	1 446	1 018	3 688	4 835
EBITDA	-	855	617	2 125	2 751
EBIT	-	805	617	(5 377)	(5 743)
Profit (loss) before tax	-	569	602	(5 960)	(6 185)
Income taxes	-	(50)	(50)	(29)	(53)
Profit (loss) after tax	-	519	553	(5 989)	(6 238)
Gain (loss) on disposal after tax	147	(92)	(1 695)	(232)	(515)
Profit (loss) from discontinued operations	147	427	(1 142)	(6 220)	(6 753)

The gain on disposal recognized during third quarter 2022 are related to final consideration received from Myanmar of NOK 268

million which is offset by accrual of interest on existing Adjusted Gross Revenue (AGR) provision against demand from Department of Telecommunication (DoT) in India. The losses on disposal recognised during third quarter 2021 was related to Telenor India. For further information about the dispute in India, see note 7.

The losses on disposal recognised during three quarters 2022 is related to Telenor Myanmar and Telenor India. Loss recognised during three quarters 2021 was mainly related to Telenor India.

Assets held for sale

The major classes of liabilities of the disposal groups classified as held for sale as of 30 September 2022 represents Telenor India. Telenor Myanmar and Telenor India represented the major classes of assets and liabilities as of 30 September 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 September	31 December	30 September
	2022	2021	2021
Assets			
Property, plant and equipment	-	717	13
Right of use assets	-	-	913
Inventory	-	13	14
Trade and other receivables	-	317	367
Cash and cash equivalents	-	1 863	1 428
Total assets classified as held for sale	-	2 910	2 760
Liabilities			
Non-current liabilities	-	23	18
Current liabilities	5 228	5 557	5 552
Total liabilities held for sale	5 228	5 580	5 570

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

NOK in million	30 September	31 December	30 September
	2022	2021	2021
Telenor Myanmar	-	(802)	(739)
Telenor India	(849)	(180)	(140)
Total gain (loss)	(849)	(982)	(878)

Note 5 – Interest-bearing liabilities

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

NOK in million	30 September 2022	
	Carrying amount	Fair value
Interest-bearing liabilities ¹⁾	(99 345)	(90 608)
of which fair value level 1	-	(82 738)
of which fair value level 2	-	(7 870)

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 September 2021	
	Carrying amount	Fair value
Interest-bearing liabilities ¹⁾	(98 956)	(103 026)
of which fair value level 1	-	(94 746)
of which fair value level 2	-	(8 280)

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:

NOK in million	31 December		30
	2022	2021	2021
Other non-current assets	771	1 013	1 361
Other current financial assets	389	464	639
Non-current non-interest-bearing financial liabilities	(2 651)	(1 106)	(1 038)
Non-current interest-bearing financial liabilities	(3 578)	(120)	(51)
Current non-interest-bearing liabilities	(557)	(675)	(587)
Total	(5 627)	(425)	325

Note 7 – Legal disputes

Grameenphone – BTRC Audit

Bangladesh Telecommunication Regulatory Commission (BTRC) has claimed Grameenphone (GP) NOK 13.5 billion based on audit findings since GPs inception. The claims are related to underpayment of various taxes and revenue share from GP's mobile operation, split into tax issues towards National Board of Revenue (NBR) of approx. NOK 4.4 billion and revenue share issues (BTRC) of approx. NOK 9.1 billion. Supreme Court decided in November 2019 and February 2020 that GP shall pay a deposit of NOK 2.1 billion. GP paid such deposit in two installments in order for the injunction to stay in place. BTRC submitted their response in the title suit (merits of the claim) in District Court 26 May 2022. The court requested the parties to respond to the commencement of a possible mediation process, pursuant to local law.

One of the claims that BTRC has presented to Grameenphone in the BTRC-case is related to a dispute as to how VAT on the payment of 2G license fee shall be handled. The dispute is whether VAT is included in the license fee or excluded and thereby needs to be added and paid separately. The claim represents an exposure of NOK 0.8 billion, excluding interests and penalty. Grameenphone was under legal obligation to deduct 15% VAT at source from the payment to BTRC, however BTRC stipulated in the License Renewal Guideline to make payment without any deduction. In 2011 the mobile operators in Bangladesh challenged the new guideline before the High Court Division. The High Court Division has directed Grameenphone to pay 100% of the license fee to BTRC, 15% VAT to the NBR and thereafter exercise a rebate right for VAT. However, the rebate was denied by NBR due to BTRC not being VAT registered. Grameenphone, BTRC and NBR filed appeals against the verdict before the Appellate Division of the Supreme Court (AD) on various grounds. The hearing started on 26 July 2022 before the AD and is expected to conclude within few months.

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 5.3 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 3.9 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 0.6 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 4.6 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 4.9 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 3.2 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 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.

Third 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	6 376	6 347	0.5 %	117	115	3 099	48.6 %	3 398	53.5 %	1 616	1 331
Sweden	2 963	3 035	-2.4 %	26	17	1 084	36.6 %	1 186	39.1 %	365	330
Denmark	1 381	1 350	2.2 %	25	23	353	25.6 %	386	28.6 %	181	181
DNA - Finland	2 525	2 372	6.5 %	7	7	959	38.0 %	903	38.1 %	375	368
dtac - Thailand	5 503	5 110	7.7 %	7	13	1 973	35.9 %	1 978	38.7 %	541	928
Digi - Malaysia	3 410	3 308	3.1 %	10	10	1 655	48.5 %	1 670	50.5 %	605	348
Grameenphone -	4 024	3 745	7.5 %	32	29	2 505	62.3 %	2 369	63.3 %	293	219
Pakistan	1 320	1 425	-7.4 %	92	70	1 096	83.0 %	752	52.8 %	63	181
Other units	2 418	1 935	24.9 %	1 178	933	748	30.9 %	474	24.5 %	228	153
Eliminations	(1 493)	(1 217)	22.6 %	(1 493)	(1 217)	(413)	27.7 %	(259)	21.3 %	-	-
Group	28 428	27 411	3.7 %	-	-	13 059	45.9 %	12 856	46.9 %	4 268	4 038

First three quarters 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	18 881	18 904	-0.1 %	324	330	9 231	48.9 %	9 663	51.1 %	5 530	4 006
Sweden	8 723	8 989	-3.0 %	72	50	3 043	34.9 %	3 352	37.3 %	1 075	1 224
Denmark	4 036	3 910	3.2 %	71	65	1 049	26.0 %	1 103	28.2 %	656	776
DNA - Finland	7 343	7 212	1.8 %	32	24	2 793	38.0 %	2 767	38.4 %	949	942
dtac - Thailand	16 365	16 213	0.9 %	23	38	6 161	37.7 %	6 238	38.5 %	2 551	2 842
Digi - Malaysia	9 953	9 836	1.2 %	32	37	4 841	48.6 %	4 728	48.1 %	1 169	1 091
Grameenphone -	11 783	10 775	9.4 %	82	77	7 242	61.5 %	6 751	62.7 %	1 289	2 187
Pakistan	3 930	4 270	-7.9 %	215	212	2 371	60.3 %	2 298	53.8 %	2 100	847
Other units	6 615	5 606	18.0 %	3 307	2 795	1 785	27.0 %	1 331	23.7 %	802	610
Eliminations	(4 157)	(3 628)	14.6 %	(4 157)	(3 628)	(1 296)	31.2 %	(814)	22.4 %	-	-
Group	83 473	82 087	1.7 %	-	-	37 221	44.6 %	37 418	45.6 %	16 121	14 525

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 29 for alternative performance measures.

Reconciliation

NOK in million	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
Profit (loss) before taxes	3 256	4 482	10 015	14 109	17 084
Share of net income from associate companies and joint	(93)	(67)	(266)	(286)	(459)
Net financial items	(3 103)	(1 542)	(6 088)	(3 047)	(3 962)
Operating profit (loss)	6 453	6 091	16 368	17 442	21 506
Depreciation and amortisation	(6 459)	(6 617)	(19 375)	(19 419)	(25 868)
Impairment losses	20	4	(2 480)	(1)	-
EBITDA	12 891	12 703	38 224	36 862	47 375
Other income	55	21	1 979	116	173
Other expenses	(223)	(174)	(976)	(673)	(1 960)
EBITDA before other income and other expenses	13 059	12 856	37 221	37 418	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 was paid out on 19 October 2022, with ex-dividend date of 6 October 2022.

Note 11 – Events after the reporting period

Partial divestment of Telenor Fiber AS (Norway)

On 7 October 2022, Telenor reached an agreement to divest 30 percent of the newly established company, Telenor Fiber AS, to a consortium led by KKR. The company will own the passive fibre assets in Norway and Telenor Norway will be the company's only customer. The transaction is expected to result in proceeds of approximately NOK 10.8 billion to Telenor and transaction is expected to be completed early 2023. Telenor Fiber AS will remain a subsidiary of Telenor. The transaction will be reflected in the accounts as an equity transaction on completion date.

Favorable court decision in Pakistan on sim tax

On 14 October 2022, Islamabad High Court decided the case of applicability of sim tax in favor of Telenor Pakistan for the period from 1 July 2014 to 30 June 2020. The tax was abolished with effect from 1 July 2020. The court decision was an adjusting event, and the related provision was reversed in the third quarter 2022. The reversal of the provision was recognized in the income statement as increased service revenues of NOK 0.1 billion and decreased costs of NOK 0.5 billion with an overall positive impact on operating profit of NOK 0.6 billion.

Digi – Dividend declared

On 20 October 2022, the Board of Directors of Digi declared the third interim dividend for 2022 of MYR 0.03 per share which corresponds to approximately NOK 0.6 billion total dividend and approximately NOK 0.3 billion for the non-controlling interests ownership share.

dtac received official notification of the amalgamation from NBTC

On 25 October 2022, dtac received official notification from the NBTC regarding acknowledgement of the plan for the amalgamation between dtac and True, with conditions. Both parties will assess the conditions thoroughly and determine next steps. dtac and True will continue to run their businesses independently in the meantime.

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, cable, and fixed wireless access. 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	Third quarter		Change third quarter	
	2022	2021	2022	Change YTD
Total revenue	28 428	27 411	1 016	3.7 %
Impact using exchange rates for 2022	(57)	(187)	130	
M&A	-	(73)	73	
Organic revenue	28 370	27 151	1 219	4.5 %

NOK in million	Third quarter		Change third quarter	
	2021	2020	2021	Change YoY
Total revenue	27 411	28 408	(997)	-3.5 %
Impact using exchange rates for 2021	(57)	(1 023)	966	
M&A	-	(125)	125	
Organic revenue	27 355	27 262	94	0.3 %

NOK in million	YTD		Change YTD	
	2022	2021	2022	Change YoY
Total revenue	83 473	82 087	1 386	1.7 %
Impact using exchange rates for 2022	-	(367)	367	
M&A	-	(197)	197	
Organic revenue	83 473	81 523	1 950	2.4 %

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	Third quarter		Change third quarter	
	2022	2021	2022	Change YTD
Service revenues	21 914	21 496	418	1.9%
Impact using exchange rates for 2022	(33)	(141)	107	
M&A	-	-	-	
Organic service revenues	21 881	21 355	526	2.5%

NOK in million	Third quarter		Change third quarter	
	2021	2020	2021	Change YoY
Service revenues	21 496	22 136	(640)	-2.9%
Impact using exchange rates for 2021	(67)	(824)	757	
M&A	-	-	-	
Organic service revenues	21 429	21 312	117	0.5%

NOK in million	YTD		Change YTD	
	2022	2021	2022	Change YoY
Service revenues	64 460	63 764	696	1.1%
Impact using exchange rates for 2022	-	(220)	220	
M&A	-	-	-	
Organic service revenues	64 460	63 545	915	1.4%

Service revenues

NOK in million	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
Mobile subscription and traffic revenues	17 910	17 437	52 617	51 791	68 817
Other mobile revenues	341	278	973	766	1 059
Total mobile service revenues	18 251	17 714	53 590	52 558	69 877
Wholesale and other mobile	1 091	1 124	3 233	3 247	4 413
Non-mobile	4 047	3 524	11 906	11 270	15 978
Total revenues mobile operations	23 389	22 362	68 729	67 074	90 268
Fixed telephony	126	230	460	751	960
Fixed Internet/TV	2 939	3 031	8 793	9 000	11 999
Other fixed services	233	240	689	719	973
Total fixed service revenues	3 298	3 502	9 942	10 470	13 931
Hardware	78	48	145	149	243
Wholesale and broadcasting	1 044	1 068	3 088	3 233	4 216
Total revenues fixed operations	4 420	4 618	13 175	13 851	18 390
Other service revenues	366	280	928	737	1 020
Total service revenues	21 914	21 496	64 460	63 764	84 828
Other revenues	619	431	1 570	1 161	1 583
Total revenues	28 428	27 411	83 473	82 087	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	Third quarter		Change third quarter	
	2022	2021	2022	Change YoY
Gross profit	21 161	20 559	602	2.9%
Impact using exchange rates for 2022	(23)	(141)	118	
M&A	-	(81)	81	
Organic gross profit	21 137	20 337	801	3.9%

NOK in million	Third quarter		Change third quarter	
	2021	2020	2021	Change YoY
Gross profit	20 559	21 651	(1 092)	-5.0 %
Impact using exchange rates for 2021	(74)	(772)	698	
Organic gross profit	20 484	20 879	(394)	-1.9 %

NOK in million	YTD		Change YTD	
	2022	2021	2022	Change YTD
Gross profit	61 688	61 031	657	1.1 %
Impact using exchange rates for 2022	-	(211)	211	
M&A	-	(218)	218	
Organic gross profit	61 688	60 602	1 086	1.8 %

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	Third quarter		Change third quarter	
	2022	2021	2022	Change YoY
Operational expenses	8 101	7 703	399	5.2 %
Impact using exchange rates for 2022	(3)	(83)	80	
M&A	-	(3)	3	
Organic operational expenses	8 099	7 617	482	6.3 %

NOK in million	Third quarter		Change third quarter	
	2021	2020	2021	Change YoY
Operational expenses	7 703	8 028	(326)	-4.1 %
Impact using exchange rates for 2021	(32)	(294)	262	
Organic operational expenses	7 670	7 734	(64)	-0.8 %

NOK in million	YTD		Change YTD	
	2022	2021	2022	Change YTD
Operational expenses	24 467	23 613	854	3.6 %
Impact using exchange rates for 2022	-	(157)	157	
M&A	-	(10)	10	
Organic operational expenses	24 467	23 446	1 021	4.4 %

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	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
Total revenues	28 428	27 411	83 473	82 087	110 241
EBITDA before other items	13 059	12 856	37 221	37 418	49 162
EBITDA margin	45.9 %	46.9 %	44.6 %	45.6 %	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	Third quarter		Change third quarter	
	2022	2021	2022	Change YoY
EBITDA	13 059	12 856	203	1.6%
Impact using exchange rates for 2022	(21)	(59)	38	
M&A	-	(78)	78	
Organic EBITDA	13 039	12 720	319	2.5%

NOK in million	Third quarter		Change third quarter	
	2021	2020	2021	Change YoY
EBITDA	12 856	13 623	(767)	-5.6%
Impact using exchange rates for 2021	(42)	(478)	436	
M&A	-	(39)	39	
Organic EBITDA	12 814	13 105	(291)	-2.2%

NOK in million	YTD		Change YTD	
	2022	2021	2022	Change YoY
EBITDA	37 221	37 418	(198)	-0.5%
Impact using exchange rates for 2022	-	(53)	53	
M&A	-	(209)	209	
Organic EBITDA	37 221	37 156	65	0.2%

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	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
Purchases of PPE, intangible assets and prepayments for right-of-use assets	4 428	4 134	14 584	14 511	19 447
Working capital and other changes	(347)	13	(1 085)	(1 371)	1 746
Deferred licence obligations	186	(93)	2 453	1 334	1 340
Less:					
Discontinued operations	-	(29)	(4)	(151)	(188)
Capex	4 267	4 025	15 948	14 323	22 345
Licence and spectrum acquisition	(179)	(10)	(2 935)	(2 245)	(4 403)
Capex excl. licence and spectrum	4 088	4 014	13 013	12 077	17 942
Total revenues	28 428	27 411	83 473	82 087	110 241
Capex excl. licence and spectrum/Revenues (%)	14.4 %	14.6 %	15.6 %	14.7 %	16.3 %
Total Capex/Revenues (%)	15.0 %	14.7 %	19.1 %	17.4 %	20.3 %

Investments

Investments consist of capex and investments in businesses. Investments in businesses comprise purchase of shares in both controlled and non-controlled entities from a third party, including acquisitions of businesses not organised as separate companies as well as capital injections into non-controlled entities. Investments (or total investments) is deemed to better gauge the actual investments for the period than in the purchases of property, plant and equipment (PPE) and intangible assets line items in the cash flow statement.

NOK in million	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
Capital expenses	4 267	4 025	15 948	14 323	22 345
Investments in businesses	-	13	173	203	392
Investments	4 268	4 038	16 121	14 525	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 September 2022	31 December 2021	30 September 2021
Non-current interest-bearing liabilities	89 408	87 811	88 834
Non-current lease liabilities	29 588	28 101	29 693
Current interest-bearing liabilities	9 937	9 276	10 123
Current lease liabilities	7 816	6 977	8 022
Less:			
Cash and cash equivalents	(16 224)	(15 223)	(21 997)
Hedging instruments	(6)	(1 071)	(1 327)
Financial instruments	(296)	(327)	(329)
Adjustments:			
Non-current licence obligations	(14 228)	(12 496)	(13 382)
Current licence obligations	(2 944)	(2 264)	(3 307)
Net interest-bearing debt excluding licence obligations	103 053	100 783	96 329

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 three quarters		Year
	2022	2021	2021
Net debt	103 053	96 329	100 783
EBITDA before other items	48 964	49 967	49 162
Net debt/EBITDA before other items	2.1	1.9	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	Third quarter		First three quarters		Year
	2022	2021	2022	2021	2021
Net cash flows from operating activities	10 853	13 071	29 857	33 751	42 272
Net cash flows from investing activities	(3 056)	(2 902)	(11 634)	(12 237)	(17 228)
Payments of lease liabilities related to spectrum licences	(46)	(320)	(1 575)	(765)	(2 871)
Payments of lease liabilities related to other lease contracts	(1 371)	(1 289)	(4 088)	(4 216)	(5 954)
Repayments of borrowings - supply chain financing	32	(46)	(102)	(168)	(1)
Dividends paid to and purchase of shares from non-controlling interest	(1 202)	(1 330)	(2 802)	(3 225)	(3 551)
Free cash flow	5 211	7 185	9 656	13 139	12 668
M&A activities	1 255	1 015	2 337	1 852	1 653
Free cash flow before M&A activities	3 955	6 170	7 320	11 288	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 three quarters		Year
	2022	2021	2021
Operating profit	20 432	26 303	21 506
Share of net income (loss) including gains/losses from associated companies and joint ventures	(439)	(341)	(459)
Income taxes	(792)	(6 265)	(5 740)
A - Earnings	19 201	19 697	15 307
Total equity as of beginning of the period	30 956	38 072	43 918
Net interest-bearing debt including licence obligations as of beginning of the period	113 018	135 312	127 485
Net pension obligations as of beginning of the period	2 711	3 258	2 747
B - Total capital employed as of beginning of the period	146 685	176 641	174 150
Total equity as of end of the period	29 697	30 956	31 500
Net interest-bearing debt including licence obligations as of end of the period	120 224	113 018	115 543
Net pension obligations as of end of the period	2 371	2 711	2 429
C - Total capital employed as of end of the period	152 293	146 685	149 472
D - Average capital employed before adjustments (D=(B+C)/2)	149 489	161 663	161 811
E - Adjustment for Telenor Myanmar and Canal Digital	53	6 476	5 756
F - Average capital employed (F=D-E)	149 436	155 187	156 055
G - Return on capital employed (G=A/F)	13%	13%	10%

Additional information

Fully owned Nordic tower businesses

Fully owned towers in Norway, Sweden and Finland have been transferred into separate Tower entities under Nordic Towers. The financial and operational information for the fully owned Nordic tower businesses is included in this section as additional information. Telenor Infra, the existing operator of towers in Norway, remains reported under the segment "Other units", whilst Tower Sweden and DNA Towers remain reported in the figures of Telenor Sweden and DNA Finland to enable a better comparison with 2021.

Revenues from Telenor's fully owned tower businesses in Norway, Sweden and Finland amounted to NOK 970 million in the quarter, whereof 77% was from anchor tenants. Total EBITDA after lease was NOK 438 million.

There are 16 000 mobile sites (ground-based towers, rooftops, and other mobile sites) and 5 700 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	Third quarter	
	2022	2022
Revenues*¹⁾		
Telenor Infra	792	1 979
Telenor Tower Sweden	66	203
DNA Tower	112	329
Total	970	2 510

EBITDA (boi) after lease*¹⁾		
Telenor Infra	351	832
Telenor Tower Sweden	31	95
DNA Tower	56	181
Total	438	1 108

Statistics**):

Total number of sites* ¹⁾	21 685
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Number of mobile sites*¹⁾	
Telenor Infra	10 986
Telenor Tower Sweden	1 688
DNA Tower	3 309
Total	15 983

Mobile tenancy ratio*¹⁾	
Telenor Infra	1.6
Telenor Tower Sweden	2.2
DNA Tower	1.4

Number of mobile sites in joint operations	Around 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 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 *Climate and environment* initiatives are within 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 indirectly from purchased electricity, either through securing Energy Attribute Certificates or long-term Power Purchase Agreements (PPA), or by replacing diesel generators with solar based energy supply units, as well as continuously exploring the potential for reduction of energy consumption. Key initiatives to reduce the energy consumption is to sunset old technologies, implement intelligent features in the networks and shift to cloud solutions. 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 addresses barriers to digital inclusion by ensuring customers are gaining access to life- and livelihood-enhancing services and can utilise 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. Telenor continues to leverage on our global partnerships with UNICEF, Plan International and CISCO in building digital and online safety skills for the future.

Earlier this year, Telenor entered into long-term Power Purchase Agreements (PPAs) for the operations in Norway and Denmark. The renewable energy solution for the Norwegian operation will be generated by a wind park in Sweden, which will start production towards end of 2023. In Denmark, the PPA is based on a solar energy plant, which will be operational by end of 2024. In addition to securing green energy for these operations, the PPAs will also provide predictable energy cost levels. Both projects are progressing according to plan.

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 overreaching 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.

Key ESG developments in the third quarter

At the Capital Markets Day on 20 September, Telenor presented its ESG targets towards 2025. The targets are included for the indicators in the table to the right, and progress will be tracked on a quarterly/annual basis.

Telenor has a structural program addressing the energy cost and consumption, and with recent development of the energy price, as well as to reduce the energy consumption the progress of the activities has accelerated during the third quarter, related to decommissioning and sunsetting old technologies and implementation of artificial intelligence and machine learning features in the radio access network. Initiatives include are amongst: Acceleration of transition away from 3G by Telenor Sweden resulting in a reduction of energy consumption by 1 million kWh, and continued roll-out of solar panels by Telenor Pakistan. In the third quarter we see stable energy consumption development in the Nordics, while in our Asian operations the energy consumption continues to grow following the network expansion.

In the third quarter, Telenor Norway in cooperation with Plan International, launched a new chapter of the Girls Create Tech Academy, which aims to address the digital gender gap through increasing the number of girls who choose a career in tech and fight the reinforcement of stereotypes.

Selected ESG indicators

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

Key ESG indicator	2021	2022			Target
		Q1	Q2 YTD	Q3 YTD	
Reduction of absolute scope 1 and 2 GHG emissions from global operations (baseline year 2019)*	8%	n.m.	n.m.	n.m.	57% (2030)
Share of supplier spend covered by science-based targets	28.5%	31.1%	32.6%	33.2%	68% (2025)
Number of people trained in digital skills**	1.69 m	1.82 m	2.33 m	2.66 m	6 m (2025)
Mobile internet users (% of active data users)	58.3%	58.5%	59.2%	59.9%	68% (2025)
Closure rate non-conformities in the supply chain***	95%	n.m.	n.m.	n.m.	90% (2025)
Women in the workforce	38%	38%	38%	38%	40% (2023)
Lost time Injury Frequency (LTIF)****	0.20	0.19	0.09	0.12	n.a.

*Calculated on a yearly basis following an annual validation process

**Cumulative number to better demonstrate progress towards target since base year 2021. Number for 2021 includes people trained in digital skills as well as child-birth registrations as part of the Digital Birth Registration Project with UNICEF

***Measure the closure rate of non-conformities identified through supply chain sustainability inspections/audits.

****Measures all work-related fatal accidents and lost time injuries for Telenor employees per million worked hours.

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