



Fourth quarter and full year 2023

Interim report
January – December 2023

telenor group

Contents

Highlights	3
CEO letter	4
Strategy and outlook	5
Sustainability	7
Risk and uncertainties	9
Group financial overview	10
Performance in the business areas	16
Interim condensed financial information	23
Notes to the interim consolidated financial statements	30
Definitions and Alternative Performance Measures	46

Highlights - Fourth quarter and full year 2023 ¹⁾

Fourth quarter 2023

- Service revenues were NOK 16.1 billion, which is an increase of NOK1.1 billion or 7%, compared to the same period last year. The organic growth in service revenues was 4.9%.
- EBITDA before other items was NOK 8.5 billion and increased by 3.9% on organic basis. On reported basis, EBITDA before other items increased by NOK 0.4 billion.
- The closure of the merger between dtac and True led to a step up in book value for Telenor and a gain of NOK 18.5 billion was recognised in the first quarter of 2023. In the fourth quarter, the share price of True dropped significantly and an impairment of NOK 8.0 billion was recognised.
- Net income attributable to equity holders of Telenor ASA was negative by NOK 7.7 billion.
- Free cash flow before M&A was NOK 4.9 billion, including refund of NOK 2.4 billion from Norwegian tax authorities related to tax deductibility of losses in India.
- Business area Nordics delivered organic service revenue growth of 3.8%, organic EBITDA growth of 5.1%, and a capex to sales ratio of 15.6%.
- On 15 November, Telenor Group entered into an agreement to sell its subsidiary Telenor Satellite to Space Norway, with a sales price of NOK 2.4 billion. The transaction was closed on 4 January 2024.
- On 13 December, Telenor Group concluded the strategic review of Telenor Pakistan and signed an agreement to sell the company to Pakistan Telecommunications Company. The transaction values Telenor Pakistan at NOK 5.3 billion on a cash-and-debt-free basis and is subject to regulatory approvals and other customary terms and conditions. The transaction is expected to close during 2024.

Full year 2023

- Service revenues were NOK 62.5 billion and EBITDA before other items was NOK 34.6 billion, which is an increase on organic basis of 4.0% and 2.8%, respectively.
- Net income attributable to equity holders of Telenor ASA was NOK 13.7 billion.
- Total free cash flow was NOK 15.0 billion. Free cash flow before M&A was NOK 9.4 billion, including payment of NOK 1.7 billion related to legal disputes in Bangladesh and refund of NOK 2.4 billion from the Norwegian tax authorities related to tax deductibility of losses in India.
- The leverage ratio at the end of the year was 2.2x, which is the same level as at the end of 2022. Net debt stood at NOK 79.8 billion at the end of the year.
- Performance in the Nordics was in line with the outlook for 2023, with organic service revenue growth of 3.4%, organic EBITDA growth of 3.7%, and capex to sales ratio of 16.7%.
- The second tranche of ordinary dividends for 2022, amounting to NOK 4.40 per share, was paid in October. In 2023, the total ordinary dividend paid for 2022 was NOK 9.40 per share or NOK 13.0 billion.

Key figures Telenor Group

NOK in million	Fourth quarter		Year	
	2023	2022	2023	2022
Service revenues	16 073	14 984	62 540	59 760
Organic service revenue growth (%)	5%	-2%	4%	3%
Total Revenues	20 934	19 667	80 452	76 877
Organic revenue growth (%)	4%	3%	3%	4%
Operating expenses	(7 282)	(6 755)	(26 832)	(25 229)
EBITDA before other income and other expenses	8 467	8 040	34 564	33 830
Organic EBITDA growth (%)	4%	0%	3%	1%
Operating profit	3 769	3 327	16 964	15 143
Net income from associated companies and joint ventures	(8 198)	(37)	(8 466)	(301)
Net income attributable to equity holders of Telenor ASA	(7 683)	37 906	13 734	44 913
Capex excl. lease	3 094	4 020	12 731	13 560
Free cash flow before M&A	4 919	2 546	9 490	9 865
Total Free cash flow	5 525	948	15 003	10 604
Leverage	2.2	2.2	2.2	2.2

¹⁾ Please refer to page 46 for Definitions and descriptions of Alternative Performance Measures.



Sigve Brekke

Steady growth and strong cash flow generation

With 2023 now behind us, I am happy to say it has been a solid year for Telenor. Our financial results for the year benefited from the continued focusing of our business, as we grew organic service revenues 4% for the group, executed in line with our Nordic profitable growth strategy and outlook, and drove total free cash flow to NOK 15 billion. This year we also made strong progress on our structural agenda, strengthening our positions and de-risking our business. We divested a 30% stake in our passive fibre network to KKR, closed the largest telecom merger ever in Southeast Asia, locked in strong returns from selling Working Group Two, let go of our Satellite business, and announced a sale of Telenor Pakistan. We are also broadly on track to deliver on our sustainability agenda, seeing strong progress on scope 3 emission reduction measures and training more than 1 million people in digital skills.

The fourth quarter was a good finish to the year, with 5% service revenue growth for the group and free cash flows before M&A of NOK 4.9 billion. We were awarded the best mobile network in Norway by Ookla and the fastest network for the sixth year in a row. In Finland, DNA won the cross-industry national Quality Award and the EPSI award for best customer satisfaction in the mobile-operator category.

DNA in Finland remains a strong contributor in the Nordics, which posted the fifth consecutive quarter of 5% mobile service revenue growth. While we saw increased competition in the price sensitive segment in Norway in the fourth quarter, we see encouraging signs in Sweden into 2024. We managed to keep opex flat in Norway in 2023, and we aim to firmly address cost control both through our Nordic transformation programme and unit-specific efficiency measures. Based on this, we expect flat opex in the Nordics for 2024 and a nominal reduction in Norway.

Our Asian portfolio underwent quite material changes in 2023, as we completed the merger with True in Thailand and concluded the strategic review of Pakistan. The decision to sell the business was not an easy one, but the best option for the Group. The new True Corporation got off to a solid start to its plan for a single-grid network rollout and implementing significant efficiency measures. In Malaysia, CelcomDigi dividend payouts in 2023 was in line with the Digi dividend in the previous year, which I am pleased with, given the integration efforts. Grameenphone bounced back in 2023 from the previous year's hampering SIM card ban despite an increasingly demanding macro and foreign exchange environment.

In Amp, we completed the sale of Working Group Two and Telenor Satellite in line with our strategy to develop or divest assets on a case-by-case basis and prioritise capital towards high-return activities within our strategic core. Operationally, the fourth quarter was impacted by both temporary and structural headwinds in Telenor Linx. Still, we expect the Connexion business to be a high-single digit growth business over the next years.

Our balance sheet remains strong, and net leverage remains within our target range. We round off a solid year with financial performance in line with our 2023 financial outlook. We reiterate our commitment of nominal increases in dividends, and for 2023 the board proposes a dividend of NOK9.50 per share. I have confidence in our ability to continue to execute successfully on our strategy and new 2024 outlook, setting us up well for reaching our 2025 targets.

Sigve Brekke, President & CEO Telenor Group



Strategy and Outlook: 2024 – a year for focused execution

Telenor Group is a leading technology-driven communication services provider with presence in the Nordics and Asia. Our strategy is to deliver profitable growth in the Nordics, capture synergies from the mergers in Asia, refine and extract values in Infrastructure, and develop the values in the Amp portfolio on an asset-by-asset basis. In doing so we aim to support long-term dividend growth and sustain healthy return on capital.

How we create value

Telenor has a differentiated value-creation logic across our four business areas: Nordics, Asia, Infrastructure and Amp, and a governance set-up providing flexibility to navigate an increasingly complex environment. The structure also provides strategic optionality in line with our strategic ambitions.

Our **responsible business conduct** is a differentiator. We attract partners who appreciate our high governance standards, earning trust as a positive contributor to societies, with inclusion and online safety as our strongest proof-points. Our commitment to reach our climate targets have impact throughout our value chain.

The value-creation strategy of **Telenor Nordics** is to capture revenue growth potential profitably. To differentiate our value proposition and drive ARPU in a region with demanding customers, we combine high-quality connectivity with innovative add-on services. Through our modern networks and increasingly through a common Nordic approach we enable a more efficient, flexible and at-scale delivery model.

In **Telenor Asia**, we have three market-leading positions, supported by a strong transparency and governance set-up. The strategic focus is de-risking the business over time while driving cash flows through profitable growth and synergies from the recently completed mergers in Thailand and Malaysia. We continue to develop strategic alternatives for Telenor in Asia.

We believe the communication infrastructure assets carved out in **Telenor Infrastructure** are well positioned to support the digitalisation of the Nordic region. We offer customers

resilience, robustness, efficient operations, and green energy supply across tower, fibre and datacentre assets. We aim to unlock values through focused operations and minority-stake divestments, when appropriate.

The strategic focus for **Telenor Amp** is to unlock the value potential of our adjacent asset portfolio, which is a mix of mature companies and growth businesses. We manage this portfolio with a develop-or-divest approach, monetising non-core assets and seeking to developing leading Nordic service positions in IoT and security.

Our financial ambitions and outlook

At the Capital Markets Day in September 2022, we set out our mid-term (2023-2025) financial ambitions.

For **Telenor Nordics**, our ambitions are:

- Low-to-mid single-digit organic growth in service revenues
- Mid-single-digit organic growth in Nordic EBITDA
- In February 2023, we stated an ambition of NOK 2 billion reduction in capex (excluding leases) from 2022 to 2025

For **the Telenor Group** our ambitions are:

- Year-on-year growth in dividend per share
- Covering the dividend with free cash flow before M&A in 2025
- Target leverage ratio of 1.8x – 2.3x

Going into 2024 we provide the following outlook and market commentary:

In the Nordics, we expect low single-digit organic growth Nordic service revenues, amid encouraging signs of sustained

growth in Sweden and Finland, a more nuanced market environment in Norway and continued tough price competition in the Danish market.

We expect mid-single digit organic growth in Nordic EBITDA and a Nordic capex to sales ratio of around 17%. The EBITDA outlook is supported by an opex flat ambition for the Nordics in 2024 amid a sustained inflationary environment, and a nominal slight decrease in 2025 (*update* from earlier ambition of net opex reduction in Nordics by a CAGR of 1-3% from 2023 to 2025). The effect of the planned transformation measures which will likely be back-end-loaded in the year.

For the Group, we expect mid-single digit organic EBITDA growth in 2024. We believe this will be supported by the Nordic outlook and firm operating trends in Grameenphone and Infrastructure, tempered by Amp where Linx is facing both temporary and structural growth headwinds.

The effective tax rate for year 2024 is estimated to be around 30%.

We expect to deliver a Free Cash Flow before M&A of NOK 9-10 billion in 2024, based on year-end 2023 currencies. Note that this range assumes the inclusion of Pakistan and does not factor in potential items related to prior years' activities (e.g. claims-related payments, tax refunds and similar). Also note that Satellite has been sold as of January 2024.

For 2023, the board of directors proposes a dividend of NOK9.50 per share, up 0.10 NOK from the preceding year.

Finally, based on the buy-back programme for 2023 and the agreement with the Norwegian state through the Ministry of Trade and Industry ("MTIF"), we expect to complete the buy back of the Government's proportionate share in summer 2024, leading to the planned cancelling of 31.1 million Telenor shares in total.



Sustainability and responsible business conduct is an integrated part of Telenor’s strategy and performance management, and a key foundation for sustainable value creation. Guided by international standards and our operational experience, we work systematically to address risks and to drive the positive impact of our business across our markets.

		Year	Year	Target 2025
		2022	2023	
Environmental	Climate change mitigation:			
	Scope 1&2: Reduction of absolute GHG emissions from global operations*	-16%	+3%	-57% (2030)
	Scope 3: Share of supplier spend covered by science-based targets	36%	51%	68%
Social	Digital Skills, Inclusion & Online Safety:			
	Number of people trained in digital skills	3.0 m	4.1 m	6 m
	Mobile internet users (% active data users)	56%	58%	68%
	Diversity, Equity & Inclusion:			
	Women in senior leadership positions	34%	34%	40%
	Health and safety:			
Governance	Lost time Injury Frequency (LTIF)	0.13	0.47	n.a.
	Responsible supply chain:			
	Closure rate of non-conformities in the supply chain	50%	61%	90%

*Baseline year is 2019. The 2023 figure is an estimate and will undergo validation before final 2023 figure will be included in the annual report. 2022 restated excl. dtac.

Environmental

During 2023, Telenor has seen the positive effects of consistent engagement with suppliers to adopt to science-based emission reduction targets, combined with implementation of stricter requirements for contract renewal with the largest suppliers. At the end of the year, Telenor’s share of spend to suppliers that have set science-based emission reduction targets passed 50%, which is well above the linear trajectory towards our 2025 target of 68%. While the increased energy consumption from mobile networks in the Nordics was offset by reduction in the fixed network following the copper decommissioning as well as purchase of renewable energy in the form of Guarantees of Origin, lack of renewable electricity in Asia remains the key challenge in terms of scope 1 & 2 emissions reductions.

Following the migration of Telenor Norway’s customers from the copper network to future-proof solutions, the dismantling of the legacy equipment started in 2023. Power supply at several fixed telephony sites has been switched off, resulting in reduced annual electricity consumption of 22 GWh, or 12 % of Telenor Norway’s fixed network consumption. This demonstrates the positive climate effect

of removing legacy technologies. The decommissioning has also resulted in close to 2.000 tonnes of metals being dismantled for recycling, whereof 500 tonnes of copper.

As a natural next step on our climate agenda, Telenor has submitted a 2045 net-zero target that covers the company’s operations in the Nordics and in Asia.

Social

Digital skills and online safety remain key pillars in our commitment to responsible business conduct. During 2023, Telenor trained 1.1 million people in digital skills and online safety together with the global partners UNICEF, Plan International, and Cisco. In the fourth quarter, Telenor Denmark launched a project in cooperation with Cisco aimed at upskilling 150 Danish small to medium-sized enterprises and startups in cybersecurity, in order to help small businesses prosper safety as well as strengthen knowledge and resilience to cyberthreats.

Governance

As a provider of digital services and an operator of critical infrastructure, Telenor has an important role related to cyber

¹⁾ Please refer to page 46 for Definitions and descriptions of Alternative Performance Measures.

security both for our customers and national security. In November, Telenor Norway organised Norway's most comprehensive live-fire cybersecurity exercise, in collaboration with the Norwegian Cyber Defence and the Norwegian National Security Authority. The exercise has been conducted annually since 2017 and is an important contribution to the country's digital preparedness and cyber

resilience, with participants from public and private, civil, and military sectors. This year's exercise encompassed training at all levels, from technical and tactical via operational and strategic level. During the week-long exercise, participants gained experience, exchanged knowledge and built networks across sectors, with the overall aim to strengthen the total defence of Norway.

Risks and uncertainties



When operating across multiple markets, Telenor is exposed to a range of risks that may affect business. Risks are prioritised based on materiality and risk management is crucial to reduce exposure to acceptable levels in a way that supports Telenor to achieve the ambitions and goals.

Telenor operates in markets that are subject to geopolitical risks with potential negative impacts. Several risk areas are influenced by external factors. The tension between China and Western countries continues to escalate where Western governments are ramping up pressure and restrictions against China's technology industry while China is trying to increase its influence and operations worldwide. This has a potential impact on supply chains and the telecom equipment Telenor is allowed to use. The significant price hike in the energy market immediately following the outbreak of Russia's war in Ukraine has been moderated somewhat during 2023, especially in Europe. However, the global geopolitical situation is increasing the risk of supply chain disruption, sanctions, increasing cyber threats and risk of sabotage of critical infrastructure. In Pakistan and Bangladesh, we are observing deterioration of political and economic situation, which may increase the risk of civil unrest, security concerns and financial instability. People safety risks in the value chain continue to be challenging for Telenor operations in Asia. Management is following the highly volatile situation by continuous monitoring the threat landscape driving risk mitigation and response strategies.

The recent conflict between Israel and Hamas including the Houthi attacks on shipping in the Red Sea is increasing the risk of potential disruption in transportation and the oil supply from the middle east region and may aggravate the economic slowdown and inflation already caused by the war in Ukraine. Management is observing high inflation in all markets, particularly in Pakistan and Bangladesh.

Currency fluctuations may also influence the reported figures in Norwegian kroner significantly. Telenor ASA seeks to allocate debt based on equity market values in local currencies, predominantly EUR, SEK, NOK and USD. 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. Further, in

Bangladesh there is a shortage of US dollars (USD) making it difficult to convert Bangladesh Taka (BDT) to USD or other foreign currency, limiting the ability to repatriate funds through dividends from Grameenphone. See note 1 for further information.

Telenor's operations are subject to requirements through sector-specific laws, regulations, and national licences. Regulatory developments and uncertainty could affect Telenor's results and business prospects. The risk is particularly high in Asian markets with issues related to high spectrum prices, tax disputes, renewal of licenses and general unpredictability in the business and regulatory environment. In addition to sector specific regulation Telenor's operations are exposed to general regulations including but not limited to competition law. The risk of being alleged of abuse of dominant market position is higher in Bangladesh and Norway where Telenor has a #1 market position.

Telenor 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 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.

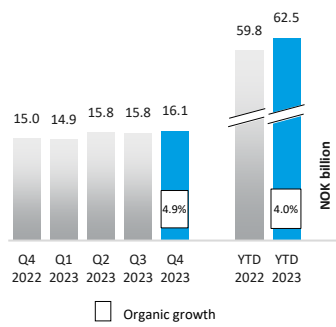
The above description of risks and uncertainties is not exhaustive. For additional explanations regarding risks and uncertainties, please refer to the following sections in Telenor's Annual Report 2022: the risk section in the Board of Directors' Report, Note 10 *Income taxes*, Note 18 *Impairment of assets*, Note 23 *Legal disputes and contingencies* and Note 31 *Capital and financial risk management*.

¹⁾ Please refer to page 46 for Definitions and descriptions of Alternative Performance Measures.

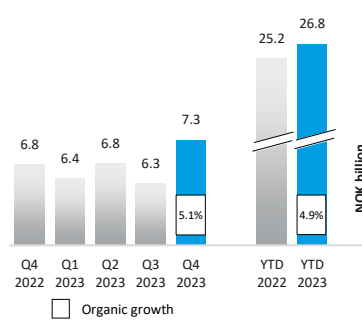
Group financial overview



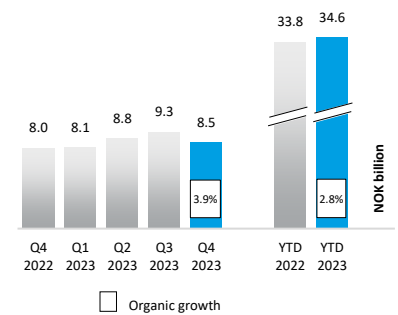
Service revenues



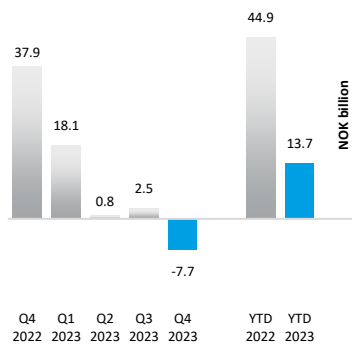
Opex



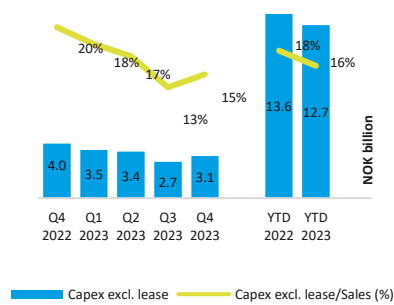
EBITDA before other items



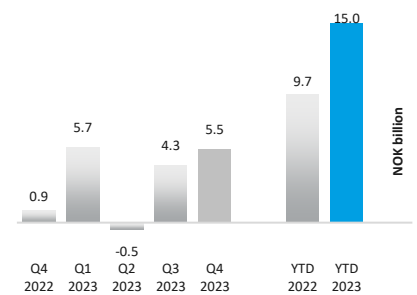
Net income



Capex excl. lease



Free cash flow



¹⁾ The comments are related to Telenor's development in the fourth quarter of 2023 compared to the fourth quarter of 2022 and are based on current Group structure unless otherwise stated. Please refer to page 46 for Definitions and descriptions of Alternative Performance Measures.

Service revenues

Service revenues increased by 4.9% on organic basis and 7.3% on reported basis this quarter.

In the Nordics, service revenues grew by 4%, and were mainly driven by 5% increase in mobile service revenues. The growth in mobile service revenues in the Nordics was supported by ARPU growth in all markets except Denmark, and larger subscriber bases in all markets except Norway. In Asia, service revenues increased by 7%, and were driven by increased data usage and price adjustments both in Grameenphone and Pakistan. Telenor Maritime and the IoT provider Connexion, which are both included in business area Amp, also delivered continued service revenue growth.

For the full year 2023, the Group's service revenues increased by 4.0% on organic basis and 4.7% on reported basis, supported by growth in all business areas.

Operating expenses (Opex)

Reported opex increased by NOK 0.5 billion, which corresponds to 5.1% organic increase compared to the same period last year.

NOK in million	Fourth quarter			Full year		
	2023	2022	Organic Change	2023	2022	Organic change
Salaries and personnel	2 671	2 425	6%	9 986	9 281	5%
Operations and maintenance	1 365	1 322	0%	5 235	4 956	3%
Sales, marketing and commission	1 448	1 266	11%	5 284	4 919	7%
Energy	421	369	26%	1 598	1 409	28%
Other opex	1 377	1 372	-3%	4 730	4 663	-1%
Total	7 282	6 755	5%	26 832	25 229	5%

The increase in salaries and personnel expenses was driven primarily by the Nordics, impacted by inflationary pressure. The increase in sales and marketing expenses was driven by the Nordics, supporting the 4% mobile service revenue growth in this business area.

The increase in energy cost in Asia, which is recognised as opex, was largely offset by lower energy cost in the Nordics, which is recognised as cost of goods sold. For the Group, the net EBITDA impact of increased energy cost was NOK 37 million.

For the full year, organic opex increased by NOK 0.4 billion, or 4.9%. The key driver for the opex increase were energy costs in Asia, and marketing and personnel costs in the Nordics. In most of the operations, opex increase was below inflation rates, reflecting the focus on cost control and modernisation.

Organic opex in the Nordics increased by 3%, both for the quarter and full year 2023.

EBITDA before other income and other expenses

EBITDA before other items grew by 3.9% on organic basis and by 5.3% on reported basis. The organic growth was mainly due to higher service revenues, partly offset by increased operational expenses.

For the full year, reported EBITDA before other items increased by NOK 0.7 billion, while the organic EBITDA before other items increased by 3% or NOK 1.0 billion. The growth was fueled by mobile service revenue growth, partly offset by increase in cost of goods and services and operational expenses. Energy cost had limited impact on EBITDA, as increases in Asia were offset by reductions in the Nordics.

¹⁾ The comments are related to Telenor's development in the fourth quarter of 2023 compared to the fourth quarter of 2022 and are based on current Group structure unless otherwise stated. Please refer to page 46 for Definitions and descriptions of Alternative Performance Measures.

Specification of other income and other expenses

NOK in million	Fourth quarter		Year	
	2023	2022	2023	2022
EBITDA before other income and other expenses	8 467	8 040	34 564	33 830
Other income	-	(2)	1	(1)
Gains on disposals of property, plant and equipment (PPE) and operations	12	20	85	1 946
Total other income	12	19	85	1 945
Losses on disposals of property, plant and equipment (PPE) and operations	(94)	(97)	(312)	(220)
Workforce reductions, onerous (loss) contracts and other	(398)	(250)	(813)	(796)
Total other expenses	(492)	(347)	(1 125)	(1 016)
EBITDA	7 987	7 711	33 524	34 758

Total other expenses this quarter related mainly to losses on disposals of tangible and intangible assets of NOK 94 million, workforce reductions of MNOK 110 million (of which NOK 52 million in Telenor Sweden) and additional provision for a rental guarantee of NOK 259 million related to the headquarter office building at Fornebu. In the fourth quarter last year, total other expenses consisted mainly of workforce reductions, of which NOK 100 million in Corporate Functions and NOK 61 million in Grameenphone.

For the year, total other expenses were mainly driven by the above-mentioned guarantee, NOK 497 million restructuring cost related to workforce reductions (of which NOK 304 million in Telenor Norway and NOK 58 million in Telenor Sweden), losses on disposals of tangible and intangible assets of NOK 240 million (of which NOK 106 million in Telenor Norway and NOK 82 million in Telenor Sweden), and NOK 72 million settlement for a disposal of business in 2020.

Last year, total other income consisted mainly of NOK 1.7 billion gain on divestment of fixed non-core assets and NOK 95 million related to gain on sale of licenses in Telenor Sweden. Total other expenses consisted mainly of workforce reductions, of which NOK 392 million in Telenor Norway and NOK 180 million in Grameenphone.

Reported EBITDA remained stable in the fourth quarter. For the year, reported EBITDA decreased by NOK 1.2 billion.

Operating profit

Operating profit was NOK 3.8 billion this quarter, which was an increase of NOK 0.4 billion compared to the same period last year driven by increased EBITDA and lower depreciation and amortisation expenses.

For full year 2023, operating profit increased by NOK 1.8 billion. The increase in operating profit was explained by lower depreciation and amortisation expenses, following the copper shut down in Norway as well as the impairment of Telenor Pakistan of NOK 2.5 billion last year, partly offset by decreased EBITDA.

Associated companies and joint ventures

Telenor holds significant interests in CelcomDigi and True Corporation. These two associates are listed companies and report their quarterly results to the external market after Telenor publishes its quarterly results. As a consequence, Telenor reports its share of net income from CelcomDigi and True Corporation with a one-quarter lag. The CelcomDigi transaction was closed on 1 December and share of net income for CelcomDigi for December 2022 to September 2023 has been included in Telenor's net income for 2023. The True transaction was closed on 1 March and share of net income for March 2023 to September 2023 has been included in Telenor's net income for 2023. For further information about the transactions and significant associates, please see note 4 *Associated companies and joint ventures* and note 5 *Discontinued operations and assets held for sale*.

NOK in million	Fourth quarter		Year	
	2023	2022	2023	2022
Telenor's share of profit (loss) after taxes as reported by companies	206	(2)	378	(197)
Adjustments for difference in accounting policies	(64)	(10)	(72)	(33)
Amortisation of Telenor's net excess values after taxes	(43)	-	(100)	-
Telenor's share of net income from associated companies and joint ventures	99	(12)	206	(230)
Impairment losses	(8 966)	-	(9 343)	-
Gain (loss) on disposal of associated companies and joint ventures	670	(25)	670	(71)
Impairments and gain (loss) on disposal of associated companies and joint ventures	(8 296)	(25)	(8 673)	(71)
Profit (loss) from associated companies and joint ventures	(8 198)	(37)	(8 466)	(301)

¹⁾ The comments are related to Telenor's development in the fourth quarter of 2023 compared to the fourth quarter of 2022 and are based on current Group structure unless otherwise stated. Please refer to page 46 for Definitions and descriptions of Alternative Performance Measures.

Net loss after tax from associated companies and joint ventures during the fourth quarter of 2023 was NOK 8,198 million, mainly due to impairments recognised for True Corporation of NOK 8,037 million, Allente of NOK 465 million, and Carousell of NOK 464 million, partly offset by gain on disposal of Working Group Two of NOK 670 million. Net share of profit after tax were NOK 251 million in CelcomDigi and NOK 20 million in Allente, mainly offset by net share of loss after tax in True Corporation of NOK 142 million and in Carousell of NOK 21 million.

Net loss after tax from associated companies and joint ventures during 2023 was NOK 8,466 million, mainly due to the impairments and gain mentioned above, and the second quarter impairment of Telenor Microfinance Bank of NOK 376 million. Net share of profit after tax in CelcomDigi was NOK 647 million, partly offset by loss after tax of NOK 283 million in True and NOK 140 million in Carousell. Last year mainly include loss after tax from Carousell of NOK 217 million, Telenor Microfinance Bank of NOK 189 million and Working Group Two of NOK 55 million, offset by profit after tax from Allente of NOK 235 million.

Financial items

NOK in million	Fourth quarter		Year	
	2023	2022	2023	2022
Financial income	410	(28)	1 062	392
Financial expenses	(1 075)	(1 334)	(4 264)	(2 901)
Net currency gains (losses)	213	1 176	(3 049)	(3 386)
Net change in fair value of financial instruments	(1 260)	(196)	(1 149)	391
Net gains (losses and impairment) of financial assets and liabilities	433	1	(1)	1
Net financial income (expenses)	(1 279)	(381)	(7 400)	(5 503)
Gross interest expenses related to interest-bearing liabilities and lease liabilities	(995)	(539)	(3 410)	(1 838)
Net interest expenses	(649)	(604)	(2 551)	(1 603)

Financial expenses in the fourth quarter decreased by NOK 0.3 billion, primarily due to a provision for legal disputes in Bangladesh included in the fourth quarter of 2022. Interest expenses increased by NOK 0.4 billion, due to higher interest rates compared to the same period last year. Financial income increased by NOK 0.4 billion, driven by higher interest rates and higher average cash balance throughout the year.

Net currency gains in the fourth quarter were driven by strengthening of the NOK against most currencies relevant for Telenor. Currency gains both this quarter and same period last year were mainly related to liabilities denominated in USD and intercompany loans in SGD.

Change in fair value of financial assets in the fourth quarter was related to NOK 0.7 billion write-down of financial assets connected to the funding of share purchases in True Corporation.

For the full year, financial expenses increased by 1.4 billion compared to 2022. The increase was primarily caused by NOK 1.6 billion in interest expenses from higher interest rates, offset by NOK 0.2 billion provision for legal disputes in Bangladesh. Financial income increased by NOK 0.6 billion, driven by the abovementioned combination of higher interest rates and average cash balance. Net currency losses were caused by the weakening of the NOK against most currencies relevant for Telenor. Currency losses were mainly related to liabilities denominated in USD and intercompany loans in SGD. The NOK strengthened during second half of 2023, partly offsetting total currency losses in the first half of the year.

Change in fair value of financial assets during 2023 was related to the abovementioned write-down of financial assets connected to the funding of share purchases in True Corporation.

Income tax

The tax expense this quarter was NOK 1.8 billion. The effective tax rate for the fourth quarter was negative, mainly due to the non-deductible impairments of associated companies of NOK 8.9 billion and a shareholder loan related to the funding of investment in True of NOK 0.7 billion, this was partly offset by a gain on disposal of Working Group Two of NOK 0.7 billion. Further, the effective tax rate for the quarter was impacted by deferred tax not recognised in Telenor Pakistan of NOK 117 million.

¹⁾ The comments are related to Telenor's development in the fourth quarter of 2023 compared to the fourth quarter of 2022 and are based on current Group structure unless otherwise stated. Please refer to page 46 for Definitions and descriptions of Alternative Performance Measures.

The profit before tax and tax expense for the year was NOK 1.1 billion and NOK 4.3 billion, respectively, giving an effective tax rate of 395%. The underlying effective tax rate is closer to historic levels for Telenor. When excluding the mentioned effects in the fourth quarter, together with the impairment of the shareholder loan in the second quarter of NOK 435 million, the effective tax rate was 38%. In addition, the new income tax act in Bangladesh, which challenges tax deductions for payments made to certain governmental entities, recognised change in provision on dividend tax of NOK 448 million, and a NOK 221 million tax effect related to the India guarantee issue won in the Appeal court this year were the main drivers for bringing the effective tax rate further up from an underlying effective tax rate of 29%.

The effective tax rate for year 2024 is estimated to be around 30%.

Discontinued operations

dtac

On 1 March 2023, the merger between True Corporation Public Company Ltd (True) and Total Access Communication Public Company Ltd (dtac) in Thailand was completed. The name of the new company is True Corporation Public Company Ltd (True), which is listed on the Stock Exchange of Thailand. On completion, the shares in dtac were converted to shares in True leading to a loss of control in dtac and subsequently dtac being deconsolidated from Telenor Group and recognised as an associated company. Telenor's ownership in True as of 31 December 2023 was divided into a direct ownership of 26.3% and an indirect ownership of 3.9%. True is accounted for as an associated company using the equity method from 1 March 2023. See note 4 and note 5 for further information about the transaction.

The gain recognised on the date of losing control over dtac amounted to NOK 18.5 billion recognised in the first quarter of 2023, based on cash received and the market value of the combined entity as of opening of the Stock Exchange in Thailand 3 March 2023. Historical figures for dtac have been re-presented as discontinued operation.

Digi

On 30 November 2022, the merger between Celcom and Digi in Malaysia was completed. The name of the new company is CelcomDigi. Telenor's ownership in CelcomDigi is 33.1% and CelcomDigi is accounted for as an associated company using the equity method.

The loss of control of Digi was accounted for as a sale of a subsidiary with a gain of NOK 32.9 billion recognised in the fourth quarter last year. Historical figures have been re-presented as discontinued operations. For further information, see note 4 and note 5.

Net income

Net income for the quarter was negative NOK 7.4 billion, impacted by the impairment of investments in associated companies and joint ventures recognised for True Corporation, Allente, and Carousell of in total NOK 9.0 billion, partly offset by gain on disposal of Working Group Two. Furthermore, net financial items amounted to a loss of NOK 1.3 billion and tax expense of NOK 1.8 billion, leading to a loss after tax of NOK 7.5 billion from continued operations. Net income from total operations was negative NOK 7.4 billion, of which net income of NOK 0.3 billion relates to non-controlling interests. This resulted in net income of negative NOK 7.7 billion to equity holders of Telenor. Net income attributable to equity holders of Telenor for the same period last year was NOK 37.9 billion, which included gain of NOK 32.7 billion recognised as part of merger completion in Malaysia and positive tax effect of NOK 3.2 billion related to realisation of tax losses following internal legal restructuring in Asia.

For full year 2023, total net income was NOK 15.4 billion, of which NOK 13.7 billion was attributed to the equity holders of Telenor ASA. The total net income decreased by NOK 32.2 billion and was driven primarily by NOK 32.7 billion gain recognised last year as part of the merger completion in Malaysia, positive one-time effects in income tax expense last year of NOK 5.7 billion and net income from discontinued operations last year of NOK 4.0 billion. The gain recognised as part of the merger completion in Thailand of NOK 18.5 billion in the first quarter this year was partly offset by the impairment of investment in True of NOK 8.0 billion. Earnings per share for the full year 2023 was NOK 9.9.

¹⁾ The comments are related to Telenor's development in the fourth quarter of 2023 compared to the fourth quarter of 2022 and are based on current Group structure unless otherwise stated. Please refer to page 46 for Definitions and descriptions of Alternative Performance Measures.

Capital expenditure excluding leases (Capex excl. leases)

Capex excluding leases was NOK 3.1 billion for the quarter, resulting in a capex to sales ratio of 14.8%, which is six percentage points lower than for the same period last year. In the Nordics, capex excluding leases was NOK 2.3 billion, corresponding to a capex to sales ratio of 15.6%, and was mainly driven by the ongoing 5G roll-out and fibre investments in Norway.

For the full year, capex excluding leases amounted to NOK 12.7 billion for the Group, resulting in capex to sales ratio of 15.8%. The capex to sales ratio for the Nordics stood at 16.7%, which is in line with the full year guidance.

Cash flow

The Group's total free cash flow in the fourth quarter was NOK 5.5 billion, including NOK 0.6 billion from the sale of Working Group Two. Free cash flow before M&A activities was NOK 4.9 billion, which includes refund of NOK 2.4 billion from the Norwegian tax authorities related to tax deductibility of losses in India. All business areas contributed positively to the free cash flow development, including interim dividend from CelcomDigi of NOK 0.3 billion. For the full year, total free cash flow was NOK 15.0 billion, of which NOK 5.5 billion related to M&A activities.

Cash and cash equivalents increased by NOK 10.4 billion during the quarter, as free cash flow of NOK 5.5 billion and proceeds from borrowings of NOK 10.9 billion were partly offset by the second tranche of dividend paid to Telenor ASA shareholders of NOK 6.1 billion.

For the full year, cash and cash equivalents increased by NOK 9.9 billion. Net proceeds from borrowings of 9.0 billion, total free cash flow of NOK 15.0 billion and positive currency effects of NOK 0.6 billion, were only partly offset by payment of dividend of NOK 13.0 billion and share buybacks of NOK 1.7 billion.

Financial position

During 2023, total assets decreased by NOK 20.9 billion to NOK 218.4 billion. The decrease was primarily caused by the deconsolidation of dtac and recognition as an associate, and payment of dividend of NOK 13 billion in the second and fourth quarter. This was partly offset by the receipt of NOK 10.8 billion for the sale of 30 percent stake in the fibre infrastructure in the first quarter and positive currency translation effects of approximately NOK 5.1 billion.

During 2023, net debt decreased by NOK 18.1 billion to NOK 79.8 billion driven primarily by positive free cash flow of NOK 15 billion and deconsolidation of dtac of NOK 22 billion, partly offset by dividends to equity holders of Telenor ASA of NOK 13 billion and negative currency translation effects of NOK 5.2 billion. As a result, interest-bearing liabilities excluding licence obligations decreased by NOK 8.5 billion, and cash and cash equivalents increased by NOK 9.6 billion.

During 2023, total equity increased by NOK 6.1 billion to NOK 70.4 billion. The increase was mainly due to positive net income from total operations of NOK 15.4 billion. Equity further increased by the divestment of 30 percent stake in the fiber infrastructure company in Norway with a total effect of NOK 10.8 billion and pension rereasurement gains (net of taxes) of NOK 0.4 billion. The increase was partly offset by dividends to equity holders of Telenor ASA and non-controlling interests of in total NOK 14.1 billion, negative net translation differences of NOK 2.7 billion in other comprehensive income including reclassification of net gain of NOK 3.1 billion from other comprehensive income to income statement on derecognition of dtac, derecognition of non-controlling interests related to dtac disposal of NOK 2.1 billion and share buyback of NOK 1.7 billion.

Currency exchange rates

Telenor has significant operations abroad and fluctuation of NOK against relevant Telenor currencies impacts net assets. For the fourth quarter, the impact on translating the net assets to NOK resulted in a loss of NOK 1.0 billion recognised in other comprehensive income, driven by NOK 1.7 billion loss related to the assets and NOK 0.7 billion gain related to the liabilities.

In addition, Telenor has significant debt in foreign currencies, which, to some extent, impacts the income statement when the currencies fluctuate. Telenor uses part of its borrowings in foreign currencies to hedge its foreign investments, called net investment hedges, and this either fully or partly offsets the currency impact from debt in the income statement. The currency effects of borrowings and placements in foreign currencies, mainly coming from borrowings in EUR and USD, impacted the income statement with a gain of NOK 0.2 billion. The net investment hedges impacted the Other Comprehensive Income statement with a loss of NOK 0.2 billion.

The overall net effect before tax related to currency on total equity during the fourth quarter was a loss of NOK 1.0 billion.

¹⁾ The comments are related to Telenor's development in the fourth quarter of 2023 compared to the fourth quarter of 2022 and are based on current Group structure unless otherwise stated. Please refer to page 46 for Definitions and descriptions of Alternative Performance Measures.

Performance in the business areas



Telenor Group has four business areas; Nordics, Asia, Infrastructure and Amp, which also constitute the Group's reporting segments. The mobile and fixed line businesses are reported in the Nordic and Asia segments. The Infrastructure segment consists of certain passive infrastructure in the Nordic countries, and the portfolio of adjacent businesses and companies are reported in the Amp segment. These segments were effective from 1 January 2023.

Basis for reporting

The historical figures have been restated to reflect the new structure, including separation of towers from Telenor Sweden and DNA into Infrastructure. See note 2 for more information. The comments on the financial development in the business areas are made on an organic basis in the fourth quarter of 2023 compared to the fourth quarter of 2022, unless otherwise stated. Please refer to Definitions on page 46 for descriptions and calculations of alternative performance measures. All comments on EBITDA are made on development in EBITDA before other income and other expenses. Please refer to page 11 for specification of other income and other expenses. Additional information is available at: www.telenor.com/ir.

Nordics

Business area Nordics includes the fully owned business units Telenor Norway, Telenor Sweden, Telenor Denmark, and DNA in Finland, in addition to Telenor Shared Services. The passive fibre infrastructure company Telenor Fiber AS (70% ownership) is reported as part of Telenor Norway.

NOK in million	Fourth quarter		YoY change		Year		YoY change	
	2023	2022	Reported	Organic	2023	2022	Reported	Organic
Norway	5 067	4 935	3%	3%	20 062	19 633	2%	2%
Sweden	2 511	2 262	11%	4%	9 637	8 790	10%	5%
Denmark	1 099	960	15%	2%	4 197	3 678	14%	1%
Finland	2 385	1 994	20%	7%	9 057	7 546	20%	6%
Other/eliminations	(19)	(19)	-1%	n.m.	(97)	(75)	29%	n.m.
Service revenues	11 043	10 132	9%	4%	42 856	39 572	8%	3%
Total revenues	14 803	13 646	8%	3%	56 321	52 477	7%	2%
Opex	(4 573)	(4 216)	8%	3%	(16 942)	(15 646)	8%	3%
Norway	3 003	3 005	0%	0%	12 443	12 236	2%	2%
Sweden	1 130	987	15%	7%	4 364	3 981	10%	5%
Denmark	418	347	20%	8%	1 649	1 396	18%	5%
Finland	1 092	831	31%	17%	4 325	3 547	22%	8%
Other/eliminations	2	(7)	-125%	n.m.	31	28	12%	n.m.
EBITDA before other items	5 644	5 163	9%	5%	22 812	21 187	8%	4%
Operating profit	2 243	1 688	33%	n.m.	9 197	9 143	1%	n.m.
Capex excl. lease	2 313	2 946	-22%	n.m.	9 387	9 957	-6%	n.m.

Overall, the competitive environment in the Nordics remains stable. We continue to see pressure on price levels on mobile particularly in Denmark and Norway, and strong competition within fixed broadband in Norway.

Service revenues increased by 4%, driven by 5% growth within the mobile segment whereas fixed grew by 1%. The mobile subscription base remained stable in the quarter, mainly due to growth in Sweden offsetting decline in Norway. Fibre subscriptions increased by 22 000 from growth in all operations. Increased expenses particularly from annual wage settlements and sales and marketing costs were partly offset by efficiency measures. Energy cost decreased by NOK 0.1 billion, offsetting negative effects from adjustments to the handset swap programme in Norway both this year and last year. In total, this resulted in an EBITDA growth of 5%. Investments into fibre in Norway and mobile network modernisation in all operations continued at significant pace.

Total service revenue growth in 2023 in the Nordics ended at 3.4%, EBITDA at 3.7%, and capex to sales at 16.7%, all in line with guidance for the year.

In Norway, Telenor was confirmed by Ookla to have the best mobile network for the sixth year in a row, including highest speed in both 4G and 5G and best coverage overall. This underlines the benefits for our customers from the significant investments into modernisation and robustification of the network to provide the best quality of service. In Q4, another 392 sites were modernised, and 5G population coverage reached 81% in 2023. Mobile ARPU growth from value-added services and pricing initiatives, together with continued growth in fibre and fixed wireless access revenues, resulted in 3% total service revenue growth. Lower energy costs and opex reductions in several areas were offset by lower wholesale revenues, effects of the wage settlement and adjustments due to the handset swap programme mentioned above. Reported EBITDA was stable but increased by 3% when adjusting for the effects related to swap programme.

Telenor Sweden saw steady growth continuing, with service revenues increasing by 4% and EBITDA by 7%. Mobile was the main driver for higher service revenues, growing 5% from pricing adjustments and a larger customer base, but also fixed fibre broadband and TV contributed positively. Improved trend in personnel costs during the quarter following the organisational restructuring was offset by higher sales and marketing costs and adjustments related to previous periods, resulting in an underlying growth in EBITDA of 5%. Investments were primarily related to mobile network modernisation with 3G decommissioning and 5G population coverage now at 60%. The product offering was further strengthened this quarter with the launch of SafeZone, a mobile security product aimed at the business market, previously successfully launched in Norway and Denmark, demonstrating the Nordics strategy of “develop once, deploy 4 times”.

The operation in Denmark delivered 2% service revenue growth, mainly due to larger customer bases in both mobile and fixed. Together with significantly lower energy cost, this more than offset a 2% increase in operating expenses, resulting in an 8% increase in EBITDA. Investments in 5G is approaching completion with population coverage reaching 93% at year-end.

DNA in Finland delivered strong results with service revenues increasing by 7% and EBITDA by 17%. Mobile service revenues increased by 9% mainly from pricing initiatives whereas fixed service revenues remained stable. Together with lower energy cost offsetting a 3% increase in operating expenses, mainly from higher personnel and sales and marketing costs, this resulted in a strong EBITDA. This quarter saw further investments into modernising the mobile network, focusing on replacing 3G with strengthened 4G and 5G networks, with 5G now reaching 94% of the population. In the quarter, DNA signed an agreement with Finnair, covering their international software driven network solution and a comprehensive mobile solution. DNA also won the Finnish Quality Award in recognition of excellence and building sustainable competitiveness.

Asia

Business area Asia consists of Grameenphone in Bangladesh (55.8% ownership) and Telenor Pakistan (100% ownership) as well as the associated companies True Corporation in Thailand (30.2% ownership), CelcomDigi in Malaysia (33.1% ownership), and Telenor Microfinance Bank in Pakistan (55% ownership).

CelcomDigi, which is the result of the merger of Digi and Celcom, is Malaysia's largest mobile network operator with a total customer base of 20.6 million at the end of third quarter 2023. As of 31 December 2023, the market capitalisation was NOK 105 billion on 100% basis, of which NOK 35 billion for Telenor's economic interest. True Corporation (True) started trading as the new combined company on the Stock exchange of Thailand on 3 March. True Corporation is Thailand's largest mobile network operator with a total customer base of 51.4 million at the end of third quarter 2023. As of 31 December 2023, True's market capitalisation was NOK 51 billion on 100% basis, of which NOK 15 billion for Telenor's economic interest. As CelcomDigi and True are listed companies and usually publish their quarterly results after Telenor, the share of profits from these companies are included in Telenor's reporting with one quarter lag. See note 4 for more information.

NOK in million	Fourth quarter		YoY change		Year		YoY change %	
	2023	2022	Reported	Organic	2023	2022	Reported	Organic
Bangladesh	3 759	3 544	6%	7%	14 733	14 752	0%	5%
Pakistan	890	973	-9%	10%	3 506	4 267	-18%	0%
Service revenues	4 649	4 517	3%	7%	18 239	19 019	-4%	4%
Total revenues	5 307	5 102	4%	9%	20 199	20 973	-4%	5%
Opex	(1 934)	(1 750)	11%	17%	(7 404)	(7 270)	2%	11%
Bangladesh	2 428	2 443	-1%	1%	9 523	9 685	-2%	4%
Pakistan	463	520	-11%	6%	1 904	2 891	-34%	-19%
Other/eliminations	126	32	289%	n.m.	(74)	(60)	-23%	n.m.
EBITDA before other items	3 018	2 995	1%	4%	11 354	12 516	-9%	-1%
Operating profit	1 926	1 749	10%	n.m.	7 134	5 442	31%	n.m.
Capex excl. lease	447	599	-25%	n.m.	2 307	2 373	-3%	n.m.
CelcomDigi	251	-	251	n.m.	647	-	647	n.m.
True Corp	(8 179)	-	(8 179)	n.m.	(8 321)	-	(8 321)	n.m.
Others	7	(57)	64	n.m.	(364)	(194)	(170)	n.m.
Net income from associates and JVs	(7 921)	(57)	(7 864)	n.m.	(8 038)	(194)	(7 844)	n.m.
Dividends from associates and JVs	282	283	-	n.m.	1 136	283	853	n.m.

The challenging macroeconomic environment continued to impact our operations and customers in both Pakistan and Bangladesh. Despite of this, organic service revenues improved by 7% mainly due to higher mobile ARPU in both Grameenphone and Telenor Pakistan. Organic EBITDA increased by 4% explained by improved results in both Grameenphone and Telenor Pakistan, despite continued negative impact from higher energy prices. The mobile subscription base declined by 1 million, primarily in Pakistan. The year ended with 82.0 million subscriptions in Bangladesh and 44.4 million in Pakistan.

In Bangladesh, Grameenphone demonstrated better monetization supported by price increases combined with higher data consumption, leading to an ARPU uplift of 6%. Combined with a 4% larger customer base than last year, service revenues increased by 7% confirming the growth momentum seen in the previous quarters this year.

Telenor Pakistan successfully navigated through the quarter amidst a challenging macroeconomic environment, demonstrating continued ARPU growth from the focus on higher value customers, price increases and prudent cost management. Service revenues increased by 10% due to improved data monetisation as well as low revenues in 2022 due to severe flooding. EBITDA improved by 10% adjusted for review of provisions both years. The improvement was driven by higher service revenues and incoming international interconnect traffic more than offsetting the negative impact of higher energy prices and losses on receivables.

True and CelcomDigi reported their third quarter results on 9 and 17 November, respectively, and Telenor's proportionate share of their net income is included in the fourth quarter financial report.

True's service revenues declined slightly by 0.4% compared to the third quarter last year, however, revenues are on an improving trend since first quarter this year. Operating costs have come down over the course of the last quarters, and according to the company, this has been aided by realisation of synergies, which so far this year amounts to TBH 4.4 billion (NOK 1.4 billion), net of integration cost.

CelcomDigi reported third quarter with stable service revenues. EBITDA improved by 7% following effects from reduced operating costs across several categories, as well as contribution from slightly higher total revenues. The Board of CelcomDigi declared an interim dividend that was paid on 22 December 2023, of which Telenor's share is NOK 0.3 billion. Including this, total dividends paid out from CelcomDigi to Telenor in 2023 amounted to NOK 1.1 billion, exceeding the dividends received from Digi in 2022.

In Telenor Asia's results for the fourth quarter, net income from associated companies and joint ventures was negative by NOK 7.9 billion, as the positive contribution from CelcomDigi was more than offset by the write-down of shares in True reflecting True's share price development.

On 14 December 2023, Telenor concluded the strategic review of Telenor Pakistan and entered into an agreement to sell 100% of Telenor Pakistan to Pakistan Telecommunications Company Ltd. The transaction values Telenor Pakistan at NOK 5.3 billion on a cash-and-debt-free basis. Completion of the transaction, which is subject to regulatory approvals and other customary terms and conditions, is expected to take place in 2024.

Infrastructure

Business area Infrastructure includes the fully owned tower businesses in Norway, Sweden, and Finland. In addition, the business area includes the data centre company that was established together with Hafslund, HitecVision, and AnalysysMason earlier this year, in which Telenor has a minority stake of 31.7%.

NOK in million	Fourth quarter		YoY change		Year		YoY change %	
	2023	2022	Reported	Organic	2023	2022	Reported	Organic
Service revenues	-	-	-	-	-	-	-	-
Telenor Infra	659	701	-6%	-6%	2 554	2 680	-5%	-5%
Tower Sweden	62	67	-7%	-14%	283	269	5%	0%
DNA Towers	140	149	-6%	-17%	562	478	18%	4%
Total revenues	861	916	-6%	-8%	3 399	3 427	-1%	-3%
Opex	(191)	(189)	1%	0%	(704)	(662)	6%	5%
Telenor Infra	367	327	12%	12%	1 469	1 339	10%	10%
Tower Sweden	42	34	22%	13%	210	178	18%	13%
DNA Towers	84	105	-20%	-30%	355	321	10%	-2%
Other/eliminations	(6)	(3)	125%	n.m.	(9)	(7)	26%	n.m.
EBITDA before other items	486	464	5%	1%	2 024	1 830	11%	8%
Telenor Infra	302	268	13%	13%	1 211	1 099	10%	10%
Tower Sweden	28	19	45%	34%	150	114	32%	26%
DNA Towers	70	93	-25%	-34%	302	274	10%	-3%
Other/eliminations	9	11	-31%	n.m.	48	49	-4%	n.m.
EBITDA before other items and after lease depreciation	408	391	4%	1%	1 711	1 537	11%	8%
Operating profit	256	240	6%	n.m.	1 119	962	16%	n.m.
Capex excl. lease	256	281	-9%	n.m.	834	901	-7%	n.m.

Total revenues were down 8% as increased colocation lease revenues and higher investment contribution fees in Norway were offset by lower power revenues in Norway and Finland, and declining revenues in Sweden due to the 3G sunset. Total revenues excluding energy increased by 4%.

External colocation lease revenues, which excludes energy revenues, increased by 14%. The main explanations for this growth were mobile network rollout and price adjustments in Norway and Finland, partly offset by the fixed legacy decline in Norway and the 3G sunset in Sweden.

Gross profit increased by 1%, mainly due to higher colocation lease revenues in Norway. Combined with stable opex, this resulted in an EBITDA growth of 1%. The EBITDA after lease margin was 47%, up 4 percentage points compared to same period last year.

The mobile tenancy ratio at the end of the quarter was 1.6, which is stable compared to previous quarters.

Amp

Telenor Amp is the company's growth accelerator for service and software companies, connected to Telenor's core business. It consists of the controlled companies Telenor Satellite, the IoT provider Telenor Connexion, Telenor Maritime, the global connectivity provider Telenor Linx, the smart building company BLDNG.AI, and the infrastructure company Norkring België (75% ownership), as well as several non-controlled investments, including the TV distributor Allente (50% ownership) and the online classifieds company Carousell (29% ownership).

On 4 January 2024, Telenor closed the sale of Telenor Satellite at an enterprise value of NOK 2.4 billion. On 15 January 2024, Telenor completed the sale of its 75% stake in Norkring België at an enterprise value of NOK 45 million.

NOK in million	Fourth quarter		YoY change %		Year		YoY change %	
	2023	2022	Reported	Organic	2023	2022	Reported	Organic
Maritime	189	173	9%	9%	715	545	31%	31%
Connexion	269	224	20%	13%	1 028	835	23%	18%
Other/eliminations	(11)	(6)	-81%	n.m.	(34)	(20)	-74%	n.m.
Service revenues	448	391	14%	10%	1 710	1 360	26%	22%
Maritime	189	173	9%	9%	715	545	31%	31%
Connexion	269	224	20%	13%	1 028	835	23%	18%
Satellite	232	233	0%	0%	938	916	2%	2%
Linx	441	613	-28%	-28%	2 032	2 202	-8%	-8%
Other/eliminations	5	7	-33%	n.m.	21	28	-25%	n.m.
Total revenues	1 135	1 250	-9%	-10%	4 734	4 525	5%	4%
Opex	(359)	(317)	14%	12%	(1 284)	(1 162)	10%	9%
Maritime	14	46	-70%	-70%	83	100	-17%	-17%
Connexion	78	67	17%	9%	344	253	36%	30%
Satellite	162	160	1%	1%	665	642	4%	4%
Linx	(10)	104	-109%	-109%	171	487	-65%	-65%
Other/eliminations	(1)	5	-121%	n.m.	16	(8)	293%	n.m.
EBITDA before other items	243	382	-36%	-37%	1 279	1 473	-13%	-14%
Operating profit	86	266	-68%	n.m.	732	995	-26%	n.m.
Capex excl. lease	75	190	-61%	n.m.	196	325	-40%	n.m.
Allente	(445)	64	(509)	n.m.	(400)	235	(635)	n.m.
Others	176	(38)	215	n.m.	4	(337)	341	n.m.
Net income from associates and JVs	(268)	26	(294)	n.m.	(396)	(102)	(294)	n.m.
Dividends from associates and JVs	-	285	(285)	n.m.	102	285	(183)	n.m.

Amp's solid performance at the beginning of 2023 was rooted from positive operational development in several portfolio companies, positive currency movements, as well as timing effects. In the second half of the year, tougher year over year comparables resulted in a softer performance, especially in Linx.

Organic revenues declined by 10%, mainly explained by a contract settlement in Linx last year, reduced application-to-person messaging revenues, and lower voice traffic into Pakistan. Telenor Connexion reported another solid quarter, with top line growth of 13% driven by higher traffic revenues and a growing active SIM-base, also supported by positive currency effects. Telenor Maritime's performance was impacted by higher traffic costs and pilot projects. Telenor Satellite's results remained stable. Amp's EBITDA decreased by 37% compared to the fourth quarter last year, mainly due to the revenue reduction in Linx.

Disclaimer

This report contains statements regarding the future in connection with Telenor's growth initiatives, profit figures, outlook, risks and opportunities, strategies and objectives. 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, 6 February 2024
The Board of Directors of Telenor ASA

Interim Condensed Financial Statements



Interim condensed financial statements	Page
Income statement	24
Statement of other comprehensive income	25
Statement of financial position	26
Statement of cash flows	27
Statement of changes in equity	29
Notes	
Note 1 Company information and basis of preparation	30
Note 2 Segments	31
Note 3 Revenues	34
Note 4 Associates and joint ventures	37
Note 5 Held for sale and discontinued operations	41
Note 6 Interest-bearing liabilities	43
Note 7 Fair value of financial instruments	43
Note 8 Equity information	43
Note 9 Uncertain tax positions	44
Note 10 Legal disputes	44
Note 11 Events after the reporting period	45

Consolidated income statement

Telenor Group

NOK in million	Note	Fourth quarter		Year	
		2023	2022	2023	2022
Revenues	3	20 934	19 667	80 452	76 877
Cost of materials and traffic charges		(5 185)	(4 873)	(19 056)	(17 819)
Salaries and personnel costs		(2 671)	(2 425)	(9 986)	(9 281)
Other operating expenses		(4 611)	(4 329)	(16 846)	(15 948)
Other income		13	19	85	1 945
Other expenses		(492)	(347)	(1 125)	(1 016)
EBITDA		7 987	7 711	33 524	34 758
Depreciation and amortisation		(4 194)	(4 362)	(16 535)	(17 114)
Impairment losses		(25)	(22)	(25)	(2 502)
Operating profit (loss)		3 769	3 327	16 964	15 143
Share of net income from associated companies and joint ventures	4	99	(12)	206	(230)
Impairments and gain (loss) on disposal of associated companies and joint ventures	4	(8 296)	(25)	(8 673)	(71)
Net financial items		(1 279)	(381)	(7 400)	(5 503)
Profit (loss) before taxes		(5 708)	2 909	1 097	9 339
Income taxes		(1 771)	1 775	(4 332)	3 009
Profit (loss) from continuing operations		(7 479)	4 684	(3 235)	12 348
Profit (loss) from discontinued operations	5	63	33 659	18 615	35 230
Net income		(7 416)	38 343	15 380	47 578

Net income attributable to:

Non-controlling interests	268	436	1 646	2 665
Equity holders of Telenor ASA	(7 683)	37 906	13 734	44 913

Earnings per share in NOK

Basic/diluted from continuing operations	(5.59)	3.25	(3.53)	7.84
Basic/diluted from discontinued operations	0.05	23.84	13.43	24.25
Basic/diluted from total operations	(5.55)	27.09	9.90	32.09

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

Consolidated statement of comprehensive income

Telenor Group

NOK in million	Fourth quarter		Year	
	2023	2022	2023	2022
Net income	(7 416)	38 343	15 380	47 578
Translation differences on net investment in foreign operations	(1 040)	(2 084)	2 367	1 806
Amount reclassified from other comprehensive income to income statement on disposal	-	(419)	(4 031)	370
Net gain (loss) on hedge of net investment	(203)	777	(2 444)	(1 402)
Income taxes	45	(171)	538	308
Amount reclassified from other comprehensive income to income statement on disposal	-	233	889	233
Share of other comprehensive income (loss) of associated companies and joint ventures	(42)	18	(95)	46
Items that may be reclassified subsequently to income statement	(1 240)	(1 646)	(2 776)	1 361
Net gain (loss) on equity investments	(41)	(49)	(2)	157
Remeasurement of defined benefit pension plans	(1 224)	(1 345)	534	661
Income taxes	263	303	(124)	(138)
Items that will not be reclassified to income statement	(1 002)	(1 091)	408	680
Other comprehensive income (loss), net of taxes	(2 242)	(2 737)	(2 368)	2 041
Total Comprehensive Income	(9 658)	35 606	13 012	49 620
Total comprehensive income attributable to:				
Non-controlling interests	137	164	1 641	2 780
Equity holders of Telenor ASA	(9 795)	35 441	11 372	46 840

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

Consolidated statement of financial position

Telenor Group

NOK in million	Note	31 December 2023	31 December 2022
Deferred tax assets		4 306	5 536
Goodwill		25 232	27 334
Intangible assets		9 279	9 689
Right-of-use assets		25 831	45 686
Property, plant and equipment		51 631	65 659
Associated companies and joint ventures	4	50 942	39 686
Other non-current assets		11 400	13 476
Total non-current assets		178 621	207 067
Prepaid taxes		434	1 491
Inventories		955	1 559
Trade and other receivables		15 524	18 842
Other current financial assets		1 651	361
Assets classified as held for sale	5	1 635	-
Cash and cash equivalents		19 556	9 929
Total current assets		39 756	32 182
Total assets		218 376	239 249
Equity attributable to equity holders of Telenor ASA		64 483	60 139
Non-controlling interests		5 951	4 237
Total equity		70 434	64 375
Non-current lease liabilities		13 201	24 417
Non-current interest-bearing liabilities	6	75 686	82 724
Non-current non-interest-bearing liabilities		1 323	1 772
Deferred tax liabilities		3 379	3 639
Pension obligations		1 821	1 919
Provisions and obligations		6 543	6 627
Total non-current liabilities		101 952	121 097
Current lease liabilities		4 107	6 674
Current interest-bearing liabilities	6	11 789	9 169
Trade and other payables		21 108	28 227
Current tax payables		2 082	2 487
Current non-interest-bearing liabilities		1 921	1 694
Provisions and obligations		709	791
Liabilities classified as held for sale	5	4 274	4 735
Total current liabilities		45 990	53 777
Total equity and liabilities		218 376	239 249

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

Consolidated statement of cash flows

Telenor Group

NOK in million	Fourth quarter		Year	
	2023	2022	2023	2022
Profit before taxes from total operations ¹⁾	(5 645)	36 794	19 898	45 718
Income taxes paid	1 400	(1 993)	(2 062)	(5 977)
Net (gains) losses from disposals, impairments and change in fair value of financial assets and liabilities	924	(32 448)	(17 427)	(33 823)
Depreciation, amortisation and impairment losses	4 218	6 361	17 528	28 217
Loss (profit) from associated companies and joint ventures	8 198	37	8 467	303
Dividends received from associated companies	282	476	1 238	575
Currency (gains) losses not related to operating activities	(73)	(1 158)	2 555	3 737
Changes in working capital and other	(384)	1 294	(1 077)	473
Net cash flow from operating activities	8 920	9 365	29 120	39 222
Purchases of property, plant and equipment, intangible assets and prepayment for right-of-use assets	(3 169)	(4 714)	(14 728)	(19 298)
Purchases of subsidiaries, associated companies and joint ventures, net of cash acquired	(19)	(798)	(1 806)	(991)
Proceeds from disposal of PPE, intangible assets, associated companies and businesses, net of cash disposed	631	(6 145)	15 848	(4 463)
Proceeds from sale and purchases of other investments	20	144	(6 867)	1 607
Net cash flow from investing activities	(2 537)	(11 512)	(7 554)	(23 145)
Proceeds from and repayments of borrowings	10 927	4 385	9 023	(88)
Payments of lease liabilities related to spectrum licences	(138)	(909)	(1 886)	(2 483)
Payments of lease liabilities related to other lease contracts	(830)	(1 500)	(3 583)	(5 589)
Net payments of supply chain financing	88	122	(79)	21
Purchase of treasury shares	5	-	(1 719)	(27)
Dividends paid to and purchases of shares from non-controlling interests	21	-	(1 015)	(2 803)
Dividends paid to equity holders of Telenor ASA	(6 094)	(6 018)	(13 017)	(13 015)
Net cash flow from financing activities	3 979	(3 920)	(12 277)	(23 984)
Effects of exchange rate changes on cash and cash equivalents	15	(253)	612	600
Net change in cash and cash equivalents	10 377	(6 319)	9 902	(7 306)
Cash and cash equivalents at the beginning of the period ²⁾	9 202	15 998	9 677	16 985
Cash and cash equivalents at the end of the period ^{2) 3)}	19 580	9 677	19 580	9 677
Of which cash and cash equivalents in assets held for sale at the end of the period	220	-	220	-
Cash and cash equivalents in continuing operations at the end of the period	19 360	9 677	19 360	9 677

¹⁾ Profit before taxes from total operations consists of:

Profit before taxes from continuing operations	(5 708)	2 909	1 098	9 339
Profit before taxes from discontinued operations	63	33 855	18 800	36 378
Profit before taxes from total operations	(5 645)	36 794	19 898	45 718

²⁾ Cash and cash equivalents include bank overdraft.

³⁾ As of 31 December 2023, restricted cash was NOK 366 million, while as of 31 December 2022, restricted cash was NOK 10 million.

Cash flow from discontinued operations ³⁾

NOK in million	Fourth quarter		Year	
	2023	2022	2023	2022
Net cash flow from operating activities	-	3 295	(502)	13 430
Net cash flow from investing activities	-	(7 153)	4 047	(12 533)
Net cash flow from financing activities	-	3 548	(624)	300
Total cash flows from discontinued operations	-	(311)	2 921	1 196
Effects of exchange rate changes on cash and cash equivalents	-	(130)	107	177
Net cash flows from discontinued operations	-	(440)	3 028	1 374

³⁾ Cash flows from discontinued operations in 2023 include dtac from January to February in addition to success fee paid in April, and payments for disputed items related to India. For 2022, the discontinued cash flows include Digi from January to November, Telenor Myanmar from January to August and dtac for the whole year. Only cash flows external to the Telenor Group are included, hence they do not reflect the entities on a stand-alone basis. For more details, see note 5.

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

Consolidated statement of changes in equity

Telenor Group

NOK in million	Attributable to equity holders of the parent						Non-controlling interests	Total equity
	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences	Total			
Equity as of 1 January 2022	8 466	(21 530)	43 981	(4 627)	26 294	5 206	31 500	
Net income for the period	-	-	44 913	-	44 913	2 665	47 578	
Other comprehensive income for the period	-	723	-	1 204	1 927	114	2 041	
Total comprehensive income for the period	-	723	44 913	1 204	46 840	2 780	49 620	
Transactions with non-controlling interests	-	-	(42)	-	(42)	(590)	(632)	
Dividends	-	-	(13 015)	-	(13 015)	(3 159)	(16 174)	
Share - based payment, exercise of share options and distribution of shares	-	61	-	-	61	-	61	
Equity as of 31 December 2022	8 466	(20 746)	75 837	(3 422)	60 139	4 237	64 375	
Net income for the period	-	-	13 734	-	13 734	1 646	15 380	
Other comprehensive income for the period	-	304	-	(2 667)	(2 362)	(6)	(2 368)	
Total comprehensive income for the period	-	304	13 734	(2 667)	11 372	1 641	13 012	
Transactions with non-controlling interests	-	-	7 619	-	7 619	1 112	8 731	
Dividends	-	-	(13 017)	-	(13 017)	(1 038)	(14 055)	
Share buy back	(86)	(1 625)	-	-	(1 712)	-	(1 712)	
Share - based payment, exercise of share options and distribution of shares	-	83	-	-	83	-	83	
Equity as of 31 December 2023	8 379	(21 985)	84 172	(6 089)	64 483	5 951	70 434	

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

Notes to the interim consolidated financial statements

Note 1 – Company information and basis of preparation

Telenor is a Norwegian company offering telecommunications services in the Nordics and Asia. The parent company Telenor ASA is listed on the Oslo Stock exchange under the ticker TEL. The interim financial statements are prepared according to IAS 34.

Basis of preparation

The consolidated financial statements of Telenor (referred to as “the group”) comprise the parent company and its subsidiaries in addition to its 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 year ended 31 December 2023 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 Telenor’s annual financial statements for 2022 (Annual Report 2022). Key developments in risks and uncertainties are described in the section Risks and uncertainties on page 9 of this report.

Accounting policies

The accounting policies applied in the preparation of the interim consolidated financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2022.

Telenor has changed presentation of certain items from “other operating expenses” to “cost of materials and traffic charges” in the income statement from 1 January 2023 to better reflect the nature of the items. Comparative figures have been updated. The impact of this change in Q4 2022 was NOK 133 million and NOK 413 million for the full year.

There is a lack of exchangeability from Bangladesh Taka (BDT) to USD or other foreign currency due to shortage of US dollars (USD) which has limited the ability to repatriate funds through dividends from Grameenphone. The available spot rate has been used for the purposes of translating the financial statements of Grameenphone to NOK at 31

December 2023 as this rate is available for payment of foreign suppliers in Bangladesh.

For information about standards, amendments, and interpretations effective from 1 January 2023, that could affect the consolidated financial statements, please refer to note 1 in Telenor’s Annual Report 2022. None of the amendments effective from 1 January 2023 has had a significant impact on the consolidated interim financial statements. Telenor has not early adopted any standards, interpretation or amendment that has been issued but is not yet effective.

Amalgamation of dtac and True

The amalgamation of dtac in Thailand with True Corporation Public Company was completed on 1 March 2023. The name of the new company is True Corporation Public Company Ltd (True), which is listed on the stock exchange in Thailand. On completion, the shares in dtac were converted to shares in True leading to a loss of control in dtac and subsequently dtac being deconsolidated from Telenor Group and True being recognised as an associated company. Historical figures for dtac have been represented as discontinued operation, refer to further information in note 5.

Agreement to sell Telenor Pakistan

Telenor has signed an agreement to sell 100% of its telecom operations in Pakistan, Telenor Pakistan (Private) Limited, to Pakistan Telecommunications Company Ltd, the national telecommunications and ICT company in Pakistan. The agreement is subject to regulatory approvals and other customary terms and conditions, hence Telenor Pakistan is not classified as held for sale as of 31 December 2023. The transaction is expected to close during 2024.

Note 2 – Segments

Telenor has four operating segments. The mobile and fixed line businesses are reported in the Nordic and Asia segments. The Infrastructure segment consists of certain passive infrastructure in the Nordic countries, and the portfolio of adjacent businesses and companies are reported in the Amp segment. These segments are new from the first quarter of 2023 following a reorganisation of Telenor.

Operating segments

The segment information is reported to the group management team in Telenor, which is regarded as the chief operating decision maker. The financial segment information is used for assessing performance and allocating resources in the group. Historical figures have been restated to be aligned with the new segment structure implemented from Q1 2023. The accounting principles for the segment reporting are consistent with those for the consolidated financial statements, except for gains and losses arising from internal bad debt provisions, internal transfer of businesses, group contribution and dividends within the Group.

Nordics

The Nordics segment consist of mobile and fixed operations in Norway, Sweden, Denmark, and Finland. Offerings include mobile subscriptions and handsets, telephony, broadband, data security, communications services, and TV services to both residential and business customers. The segment also offers wholesale services.

Asia

The Asia segment consist of mobile operations in Telenor Pakistan and Grameenphone (Bangladesh). Offerings include mobile subscriptions, as well as wholesale services. Results from the former subsidiaries Digi and dtac are not included

in the segment information, see note 5 for more information about discontinued operations.

Infrastructure

The Infrastructure segment provides passive telecom infrastructure in the Nordics such as towers, masts and buildings. The Infrastructure segment builds, develops and maintains passive telecom infrastructure and leases it to both internal and external customers.

Amp

Telenor Amp consists of a portfolio of adjacent businesses and companies that are near the core of Telenor's business. Offerings include a wide variety of services, including Internet of Things (IoT), digital authentication and various communication services. The segment also has ownership in associated companies and joint ventures like Allente and Carousell.

Other

Other include various corporate functions like group leadership, strategy, treasury, finance, mergers, and acquisitions (M&A), procurement and insurance.

Fourth quarter

NOK in million	Total revenues			of which internal		EBITDA before other income and other expenses ¹⁾				Capex excl. lease	
	2023	2022	Growth	2023	2022	2023	Margin	2022	Margin	2023	2022
Nordics	14 803	13 646	8.5 %	187	155	5 644	38.1 %	5 163	37.8 %	2 313	2 946
Asia	5 307	5 102	4.0 %	364	238	3 018	56.9 %	2 995	58.7 %	447	599
Infrastructure	861	916	-6.1 %	645	711	486	56.5 %	464	50.6 %	256	281
Amp	1 135	1 250	-9.2 %	92	165	243	21.4 %	382	30.6 %	75	190
Other	411	433	-5.1 %	295	409	(333)	-81.0 %	(107)	-24.8 %	2	3
Eliminations	(1 584)	(1 679)	-5.7 %	(1 584)	(1 679)	(592)	37.4 %	(858)	51.1 %	-	-
Group	20 934	19 667	6.4 %	-	-	8 467	40.4 %	8 040	40.9 %	3 094	4 020

Year 2023

NOK in million	Total revenues			of which internal		EBITDA before other income and other expenses ¹⁾				Capex excl. lease	
	2023	2022	Growth	2023	2022	2023	Margin	2022	Margin	2023	2022
Nordics	56 321	52 477	7.3 %	684	625	22 812	40.5 %	21 187	40.4 %	9 387	9 957
Asia	20 199	20 973	-3.7 %	846	691	11 354	56.2 %	12 516	59.7 %	2 307	2 373
Infrastructure	3 399	3 427	-0.8 %	2 592	2 668	2 024	59.6 %	1 830	53.4 %	834	901
Amp	4 734	4 525	4.6 %	434	643	1 279	27.0 %	1 473	32.6 %	196	325
Other	1 474	1 794	-17.8 %	1 118	1 691	(640)	-43.4 %	(358)	-20.0 %	7	4
Eliminations	(5 675)	(6 319)	-10.2 %	(5 675)	(6 319)	(2 266)	39.9 %	(2 819)	44.6 %	-	-
Group	80 452	76 877	4.7 %	-	-	34 564	43.0 %	33 830	44.0 %	12 731	13 560

Year 2022

NOK in million	Total revenues	of which internal	EBITDA before other income and other expenses ¹⁾		Capex excl. lease
	2022	2022	2022	Margin	2022
Nordics	52 477	625	21 187	40.4 %	9 957
Asia	20 973	691	12 516	59.7 %	2 373
Infrastructure	3 427	2 668	1 830	53.4 %	901
Amp	4 525	643	1 473	32.6 %	325
Other	1 794	1 691	(358)	-20.0 %	4
Eliminations	(6 319)	(6 319)	(2 819)	44.6 %	-
Group	76 877	-	33 830	44.0 %	13 560

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

²⁾ Investments consist of capex and investments in businesses, see page 46 for alternative performance measures.

Reconciliation of consolidated profit before tax and segment EBITDA

NOK in million	Fourth quarter		Year	
	2023	2022	2023	2022
Profit (loss) before taxes	(5 708)	2 909	1 097	9 339
Share of net income from associate companies and joint ventures	(8 198)	(37)	(8 466)	(301)
Net financial items	(1 279)	(381)	(7 400)	(5 503)
Operating profit (loss)	3 769	3 327	16 964	15 143
Depreciation and amortisation	(4 194)	(4 362)	(16 535)	(17 114)
Impairment losses	(25)	(22)	(25)	(2 502)
EBITDA	7 987	7 711	33 524	34 758
Other income	12	19	85	1 945
Other expenses	(492)	(347)	(1 125)	(1 016)
EBITDA before other income and other expenses	8 467	8 040	34 564	33 830

Note 3 – Revenues

Service revenues include subscriptions and traffic revenues from mobile voice and data, in addition to various fixed revenues from telephony, broadband, TV connections and data security services. Devices like handsets are sold separately or as part of a bundled offering together with the subscription.

Disaggregation of revenues

Revenues are disaggregated by major revenue streams and by reportable segments as shown in note 2 in the table below. See note 3 in the Annual Report 2022 for further information about the different types of revenues in Telenor.

Fourth quarter 2023

	Mobile operations	Fixed operations	Other revenues from rendering of services ¹⁾	Total revenues from rendering of services ²⁾	Sale of handset and other devices ³⁾	Total revenues from contracts with customers (IFRS 15)	Operating lease revenues (IFRS 16) ⁴⁾	Total revenues
NOK in millions								
Telenor Norway	3 460	2 337	-	5 797	703	6 499	(32)	6 467
Telenor Sweden	1 947	915	-	2 862	538	3 400	11	3 411
Telenor Denmark	1 102	168	-	1 270	369	1 639	9	1 648
DNA Finland	1 941	646	-	2 587	669	3 256	9	3 265
Other/eliminations	(9)	(28)	49	12	(0)	12	(0)	12
Nordics	8 441	4 037	49	12 528	2 279	14 807	(4)	14 803
Grameenphone - Bangladesh	3 911	-	-	3 911	1	3 912	52	3 964
Telenor Pakistan	1 091	-	-	1 091	2	1 093	37	1 130
Other/eliminations	-	-	213	213	-	213	-	213
Asia	5 002	-	213	5 215	3	5 218	89	5 307
Infrastructure	-	-	18	18	-	18	843	861
Amp	-	682	453	1 135	-	1 135	-	1 135
Other	-	-	403	403	-	403	8	411
Eliminations	(264)	(97)	(552)	(914)	(3)	(917)	(666)	(1 584)
Group	13 179	4 622	585	18 386	2 278	20 664	270	20 934

- 1) Other revenues from rendering of services includes Internet of Things (IoT) in non-mobile operations, tower revenues and other non-core business revenues. Refer to definitions on page 46.
- 2) Service revenues as explained in Alternative Performance Measures on page 46 are not comparable with “total revenues from rendering of services” disclosed in this note. The reason is that operating lease revenues are excluded and service revenues from other operators are included in the table above.
- 3) Revenues from handsets and other devices are recognised at point in time. Remaining revenue from contracts with customers are recognised over time.
- 4) Operating lease revenues for Norway and Sweden in Q4 2023 are impacted by reclassification of leasing revenue in previous quarters of 2023 to “mobile operations” revenue, of which NOK 112 million is reclassified in Norway and NOK 43 million in Sweden.

Year 2023

	Mobile operations	Fixed operations	Other revenues from rendering of services ¹⁾	Total revenues from rendering of services ²⁾	Sale of handset and other devices ³⁾	Total revenues from contracts with customers (IFRS 15)	Operating lease revenues (IFRS 16)	Total revenues
<i>NOK in millions</i>								
Telenor Norway	14 016	8 968	-	22 985	2 222	25 206	224	25 431
Telenor Sweden	7 354	3 369	-	10 723	1 727	12 450	172	12 622
Telenor Denmark	4 200	637	-	4 837	1 292	6 129	34	6 163
DNA Finland	7 322	2 493	-	9 816	2 203	12 019	34	12 053
Other/eliminations	(51)	(111)	217	54	(2)	52	(0)	52
Nordics	32 841	15 356	217	48 414	7 442	55 856	465	56 321
Grameenphone - Bangladesh	15 331	-	-	15 331	5	15 336	195	15 531
Telenor Pakistan	4 275	-	-	4 275	7	4 282	130	4 411
Other/eliminations	-	-	257	257	-	257	-	257
Asia	19 606	-	257	19 863	12	19 875	325	20 199
Infrastructure	-	-	96	96	-	96	3 302	3 399
Amp	-	3 006	1 728	4 734	-	4 734	-	4 734
Other	-	-	1 326	1 326	-	1 326	148	1 474
Eliminations	(961)	(479)	(1 559)	(3 000)	(9)	(3 009)	(2 667)	(5 675)
Group	51 485	17 883	2 065	71 433	7 445	78 879	1 573	80 452

- 1) Other revenues from rendering of services includes Internet of Things (IoT) in non-mobile operations, tower revenues and other non-core business revenues. Refer to definitions on page 46.
- 2) Service revenues as explained in Alternative Performance Measures on page 46 are not comparable with “total revenues from rendering of services” disclosed in this note. The reason is that operating lease revenues are excluded and service revenues from other operators are included in the table above.
- 3) Revenues from handsets and other devices are recognised at point in time. Remaining revenue from contracts with customers are recognised over time.

Fourth quarter 2022

	Mobile operations	Fixed operations	Other revenues from rendering of services ¹⁾	Total revenues from rendering of services ²⁾	Sale of handset and other devices ³⁾	Total revenues from contracts with customers (IFRS 15)	Operating lease revenues (IFRS 16)	Total revenues
<i>NOK in millions</i>								
Telenor Norway	3 509	2 206	-	5 715	722	6 437	82	6 519
Telenor Sweden	1 704	762	-	2 466	429	2 895	76	2 972
Telenor Denmark	975	139	-	1 114	352	1 465	9	1 474
DNA Finland	1 593	574	-	2 168	521	2 689	8	2 696
Other/eliminations	(33)	(18)	36	(15)	(0)	(15)	(0)	(15)
Nordics	7 748	3 664	36	11 447	2 024	13 471	174	13 646
Grameenphone - Bangladesh	3 676	-	-	3 676	2	3 679	46	3 724
Telenor Pakistan	1 220	-	-	1 220	2	1 222	36	1 258
Other/eliminations	-	-	120	120	-	120	-	120
Asia	4 897	-	120	5 017	4	5 021	81	5 102
Infrastructure	-	-	30	30	-	30	886	916
Amp	-	855	395	1 250	-	1 250	-	1 250
Other	-	-	386	386	-	386	46	433
Eliminations	(292)	(156)	(498)	(946)	(3)	(949)	(730)	(1 679)
Group	12 352	4 362	469	17 183	2 025	19 209	459	19 667

- 1) Other revenues from rendering of services includes Internet of Things (IoT) in non-mobile operations, tower revenues and other non-core business revenues. Refer to definitions on page 46.
- 2) Service revenues as explained in Alternative Performance Measures on page 46 are not comparable with “total revenues from rendering of services” disclosed in this note. The reason is that operating lease revenues are excluded and service revenues from other operators are included in the table above.
- 3) Revenues from handsets and other devices are recognised at point in time. Remaining revenue from contracts with customers are recognised over time.

Year 2022

	Mobile operations	Fixed operations	Other revenues from rendering of services ¹⁾	Total revenues from rendering of services ²⁾	Sale of handset and other devices ³⁾	Total revenues from contracts with customers (IFRS 15)	Operating lease revenues (IFRS 16)	Total revenues
NOK in millions								
Telenor Norway	13 832	8 850	-	22 682	2 389	25 071	329	25 400
Telenor Sweden	6 618	3 126	-	9 744	1 722	11 467	175	11 642
Telenor Denmark	3 744	529	-	4 273	1 208	5 480	30	5 510
DNA Finland	6 039	2 169	-	8 208	1 735	9 943	30	9 973
Other/eliminations	(134)	(71)	156	(48)	0	(48)	(0)	(48)
Nordics	30 099	14 603	156	44 858	7 055	51 913	564	52 477
Grameenphone -								
Bangladesh	15 301	-	-	15 301	22	15 323	185	15 508
Telenor Pakistan	5 037	-	-	5 037	10	5 047	141	5 188
Other/eliminations	-	-	277	277	-	277	-	277
Asia	20 338	-	277	20 615	32	20 646	327	20 973
Infrastructure	-	-	91	91	-	91	3 336	3 427
Amp	-	3 152	1 373	4 525	-	4 525	-	4 525
Other	-	-	1 627	1 627	-	1 627	167	1 794
Eliminations	(908)	(609)	(2 045)	(3 562)	(8)	(3 570)	(2 749)	(6 319)
Group	49 529	17 146	1 480	68 154	7 078	75 232	1 645	76 877

- 1) Other revenues from rendering of services includes Internet of Things (IoT) in non-mobile operations, tower revenues and other non-core business revenues. Refer to definitions on page 46.
- 2) Service revenues as reported in Alternative Performance Measures are not comparable with total revenues from rendering of services disclosed in this note as operating lease revenues are excluded and service revenues from other operators are included in the table above.
- 3) Revenues from handsets and other devices are recognised at point in time. Remaining revenue from contracts with customers are recognised over time.

Note 4 – Associated companies and joint ventures

In March 2023, the amalgamation in Thailand between dtac and True was concluded and Telenor has a 30.2% ownership interest in the listed company True Corporation Public Company Ltd (True) as of 31 December 2023. The associate CelcomDigi in Malaysia is a result of the merger between Digi and Celcom in the fourth quarter 2022. The share of net income from these two entities are reported with one quarter lag.

Associates and joint ventures

The table below shows how the investments in associates and joint ventures has developed during the period. All associates and joint ventures are accounted for using the equity method.

NOK in millions	2023	2022
Balance as of 1 January	39 686	5 683
Additions	22 306	35 089
Disposals ¹⁾	(86)	(433)
Impairment ²⁾	(9 343)	-
Share of net income (loss) ³⁾	206	(230)
Share of other comprehensive income	(95)	46
Dividends received	(1 238)	(575)
Translation differences	(495)	106
Closing balance as of 31 December	50 942	39 686
Of which investment in CelcomDigi ⁴⁾	33 763	34 436
Of which investment in True (direct interest) ⁵⁾	13 532	-
Of which investment in Carousell	2 157	2 660
Of which investment in Allente	866	1 369
Of which investment in Telenor Microfinance Bank Limited	362	828
Of which investment in others	261	394

¹⁾ Mainly relates to disposal of Working Group Two in the fourth quarter 2023, with a gain of NOK 670 million, discontinuance of dtac in first quarter 2023, and disposal of Wave Money and dilution of economic interest in Carousell during 2022.

²⁾ As of 31 December 2023 an impairment of NOK 8,037 million was recognised for True, NOK 465 million for Allente, NOK 464 million for Carousell, and as of 30 June 2023 NOK 376 million for Telenor Microfinance Bank Limited.

³⁾ Share of net income (loss) includes the Group's share of net income (loss) after taxes, amortisation of excess values, and adjustment for difference in accounting policies.

⁴⁾ Of which, upon completing the purchase price allocation, final allocation to goodwill NOK 20.6 billion as of 31 December 2023.

⁵⁾ Of which, after impairment, preliminary allocated to goodwill NOK 4.4 billion as of 31 December 2023.

Significant events in 2023

On 1 March 2023, the amalgamation of the telecom operations True Corporation Public Company Ltd (True) and Total Access Communication Public Company Ltd (dtac) was completed. The previous shares in True and dtac were converted to shares in the newly established company True Corporation Public Company Ltd (True), with a conversion rate of 0.60018 and 6.13444, respectively. Telenor's previous ownership interest in dtac corresponds to an ownership interest in True of 27.3%. In addition, Telenor has acquired shares for NOK 2.9 billion, bringing the ownership interest in True to 30.2%. The ownership is structured into direct ownership and indirect ownership through joint ventures owned together with Charoen Pokphand Group (CP Group). As of 31 December 2023, Telenor's ownership is divided into 26.3% direct ownership and 3.9% indirect ownership. The joint ventures are funded with shareholder loan by Telenor and CP Group.

In fourth quarter 2023, impairments of NOK 8,966 million have been recognised related to investments in associated companies and joint ventures. The impairment in True Corporation was NOK 8,037 million, in Allente 465 million, and in Carousell NOK 464 million. In the first quarter, based on market value of True Corporation as on opening of the Stock Exchange in Thailand 3 March 2023, Telenor recognised a gain of NOK 18.5 billion. The average cost price per share in the merged entity was THB 8.15. A decline in market value compared to cost is considered as objective impairment evidence if the decline is significant or prolonged. The decline in fair value compared to cost became significant in fourth quarter 2023, and an impairment loss was recognised. The estimated recoverable amount after impairment is NOK 13.5 billion as of 31 December 2023, which is based on the December closing share price of THB 5.05. At end of each reporting period going forward, the carrying value of True will be reassessed based on the closing share price, limiting any reversal to the amount of the original impairment. In addition, the shareholder loan provided to the joint venture have been impaired under net financial items by NOK 1,128 million (NOK 695 million in the fourth quarter 2023) due to the decline in market value of shares in True. The carrying amount of the receivable as of 31 December 2023 is NOK 2.0 billion.

The investment in Carousell was impaired following the deteriorating outlook for growth companies. Carousell is fast growing but does not generate positive EBITDA yet. Thus, a mean of multiples on sale from businesses with similar characteristics, has been used as basis for estimating its value. The estimated recoverable amount of the investment after impairment is NOK 2.2 billion.

Allente was also impaired due to deteriorating business outlook given rapidly dropping customer base. In the discounted cash flow model we used a 10-year explicit forecast period, an insignificant terminal value, and a discount rate of 10.6%. The estimated recoverable amount of the investment after impairment is NOK 0.9 billion.

In the second quarter 2023, Telenor reassessed the fair value of the joint venture Telenor Microfinance Bank in Pakistan. The underlying operation in Telenor Microfinance Bank is performing well. However, due to increased macroeconomic uncertainty, reflected through increased weighted average cost of capital, the estimated fair value is below the carrying amount of Telenor Microfinance Bank. An impairment NOK 376 million has been recognised.

On 10 August 2023, Telenor announced that it would be selling its 44.6% share in the software company Working Group Two to the global communications technology company Cisco. With an estimated enterprise value of USD 150 million, Telenor recognised a gain on disposal of NOK 670 million in the fourth quarter.

CelcomDigi (associate)

CelcomDigi is an associated company where Telenor controls 33.1% of the shares and voting rights. The associate is accounted for using the equity method. CelcomDigi is a telecommunication company, listed on Bursa Malaysia Berhad. Telenor share of CelcomDigi's market value amounted to NOK 34.9 billion as of 31 December 2023.

The Group is not aware of significant restrictions limiting the ability of CelcomDigi to transfer funds to its shareholders. For example, under the form of dividends, repayment of advances or loans made.

As the financial quarterly results of the listed company CelcomDigi are not published at the time Telenor reports its quarterly results, Telenor include the share of profits from CelcomDigi with a one-quarter lag. This means that the third quarter results of CelcomDigi is included in Telenor's fourth quarter 2023 report.

The following tables sets forth the summarised financial information of CelcomDigi, including the final allocation of the excess values recognised as part of the merger, adjustments for difference in accounting policies, and reconciliation with the carrying amount of the investment for the Group. Due to the one-quarter lag, Telenor's share of CelcomDigi's third quarter net income is recognised in fourth quarter.

NOK in millions	Fourth quarter	Year
	2023	2023
Statement of comprehensive income		
Revenue	7 165	24 345
EBITDA	3 615	11 421
Depreciation and amortisation ¹⁾	(2 392)	(7 661)
Net financial items	(266)	(1 076)
Income tax expense	(175)	(706)
Non-controlling interest	-	-
Net income	758	1 954
Other comprehensive income(loss)	-	-
Total comprehensive income (loss)	758	1 954
Group's ownership in %	33.1	33.1
Profit (loss) from associated companies and joint ventures	251	647
Group's share of other comprehensive income (loss)	-	-
Group's share of total comprehensive income (loss)	251	647

¹⁾ Of which Telenor specific excess value amortisation and adjustments for difference in accounting policies of NOK 91 million for the fourth quarter and NOK 186 million for the year 2023.

NOK in millions	2023	2022
Statement of financial position		
Non-current assets	75 085	77 836
Current assets excluding cash and cash equivalents	7 870	9 593
Cash and cash equivalents	793	7 744
Non-current non-interest bearing liabilities	(3 866)	(6 978)
Non-current interest bearing liabilities	(24 528)	(33 310)
Current non-interest bearing liabilities	(15 263)	(8 194)
Non-controlling interests	(234)	-
Total equity to shareholders of parent company	39 859	46 691
Group's share of equity	13 193	15 455
Goodwill related to the Group's investment	20 570	18 981
Carrying amount of investment	33 763	34 436
Dividends received	1 136	289

True (associate)

True is an associated company where Telenor has a direct ownership of 26.3% and an indirect ownership through a joint venture of 3.9%, in total an ownership interest of 30.2%. The associate is accounted for using the equity method. True is a telecommunication company, listed on the Stock Exchange of Thailand. Telenor's share of True's market value, including the indirect ownership, amounted to NOK 15.5 billion as of 31 December 2023.

The Group is not aware of significant restrictions limiting the ability of True to transfer funds to its shareholders. For example, under the form of dividends, repayment of advances or loans made.

As the financial quarterly results of the listed company True are not published at the time Telenor reports its quarterly results, Telenor include the share of net income from True with a one quarter lag. This means that the third quarter results of True, together with the statement of financial position, is included in Telenor's fourth quarter 2023 report. Telenor's share of profit for the four quarters reflects Telenor's direct weighted average ownership share during the period of 22.8%, which consists of 19.6% directly owned shares through the entire month of March, 1.3% acquired 21 March 2023, and 5.4% acquired 17 April 2023.

The following tables sets forth the summarised financial information of True, including the preliminary allocation of the excess values recognised as part of the merger, adjustments for difference in accounting policies, and reconciliation with the carrying amount of the investment for the Group. Due to the one-quarter lag, Telenor's share of True's third quarter net income is recognised in fourth quarter.

NOK in millions	Fourth quarter	Year
	2023	2023
Statement of comprehensive income		
Revenue	15 162	38 864
EBITDA	6 480	16 959
Depreciation and amortisation ¹⁾	(5 912)	(13 858)
Net financial items	(1 608)	(4 168)
Income tax expense	75	(680)
Net income	(539)	(1 244)
Other comprehensive income(loss)	(1)	(21)
Total comprehensive income (loss)	(541)	(1 264)
Group's weighted average ownership in %	26.3	22.8
Group's share of net income	(142)	(283)
Impairment of goodwill related to the investment	(8 037)	(8 037)
Profit (loss) from associated companies and joint ventures	(8 179)	(8 321)
Group's share of other comprehensive income (loss)	-	(5)
Group's share of total comprehensive income (loss)	(142)	(288)

¹⁾ Of which Telenor specific excess value amortisation and adjustments for difference in accounting policies of NOK 18 million for the fourth quarter and NOK 18 million for the year 2023.

NOK in millions	2023
Statement of financial position	
Non-current assets	201 189
Current assets excluding cash and cash equivalents	22 426
Cash and cash equivalents	7 440
Non-current non-interest bearing liabilities	(8 376)
Non-current interest bearing liabilities	(126 291)
Current non-interest bearing liabilities	(61 540)
Non-controlling interests	(110)
Total equity to shareholders of parent company	34 738
Group's share of equity	9 143
Goodwill related to the Group's investment	4 389
Carrying amount of investment	13 532
Dividends received	-

Allente (joint venture)

Allente Group AB (Allente) is a joint venture where Telenor controls 50% of the shares and the voting rights. The joint venture is accounted for using the equity method. Allente is a Nordic TV distributor broadcasting via satellite and internet TV, to customers within Norway, Sweden, Denmark, and Finland. Allente was established in May 2020 through a merger between the former Telenor subsidiary Canal Digital and Nordic Entertainment Group (NENT).

The following tables sets forth summarised financial information of Allente, including adjustments for difference in accounting policies, and reconciliation with the carrying amount of the investment for the Group:

NOK in millions	Fourth quarter		Year	
	2023	2022	2023	2022
Statement of comprehensive income				
Revenue	1 670	1 652	6 584	6 472
EBITDA	245	343	841	1 181
Depreciation and amortisation	(228)	(318)	(1 030)	(1 052)
Net financial items	(48)	(28)	(128)	(62)
Income tax expense	(43)	(29)	(68)	(123)
Net income	40	128	131	470
Other comprehensive income(loss)	(76)	38	(178)	83
Total comprehensive income (loss)	(36)	166	(47)	553
Group's ownership in %	50	50	50	50
Group's share of net income	20	64	65	235
Impairment of goodwill related to the investment	(465)	-	(465)	-
Profit (loss) from associated companies and joint ventures	(445)	64	(400)	235
Group's share of other comprehensive income (loss)	(38)	19	(89)	42
Group's share of total comprehensive income (loss)	(18)	83	(24)	277

¹⁾ Of which adjustments for difference in accounting policies of negative NOK 7 million for the fourth quarter and NOK 2 million for the year 2023.

NOK in millions	2023	2022
Statement of financial position		
Non-current assets	3 983	4 401
Current assets excluding cash and cash equivalents	1 703	1 781
Cash and cash equivalents	492	144
Non-current non-interest bearing liabilities	(338)	(442)
Non-current interest bearing liabilities	(2 116)	(1 948)
Current non-interest bearing liabilities	(1 992)	(1 971)
Total equity to shareholders of parent company	1 733	1 964
Group's share of equity	866	982
Goodwill related to the Group's investment	-	387
Carrying amount of investment	866	1 369
Dividends received	100	285

Note 5 – Discontinued operations and assets held for sale

Operations presented as discontinued operations and held for sale includes Telenor Satellite sold in 2024, dtac amalgamation in 2023, Digi merger in 2022, Telenor Myanmar sold in 2022, and Telenor India which was disposed in 2018.

Discontinued operations

Discontinued operations represent a separate major line of business that has been disposed. Discontinued operations are excluded from the results of continuing operations and are presented on a single line after tax in the income statement. Discontinued operations are also excluded from the segment reporting. On 16 November 2023, the Group announced that it has entered into an agreement with Space Norway to sell its 100% stake in Telenor Satellite for a sale consideration of NOK 2.36 billion on debt and cash free basis. The transaction was closed on 4 January 2024. Telenor Satellite was not a separate major line of business of the Group; accordingly, its results are not presented as discontinued operations. However, its assets and liabilities are classified as held for sale as of 31 December 2023.

The profit (loss) of all disposal groups presented as discontinued operations until disposal, and subsequent adjustments are shown in the following table:

NOK in million	Fourth quarter		Year	
	2023	2022	2023	2022
Revenue	-	8 173	4 030	35 457
EBITDA	-	3 206	1 360	15 001
EBIT	-	1 235	368	6 406
Profit (loss) before tax	-	942	210	5 130
Income taxes	-	(227)	(185)	(1 149)
Profit (loss) after tax	-	715	25	3 982
Gain (loss) on disposal after tax	63	32 943	18 590	31 248
Profit (loss) from discontinued operations	63	33 659	18 615	35 230
Non-controlling interest	-	292	(19)	1 295

The gain on disposal recognised in the fourth quarter 2023 is mainly related to Telenor India positive currency effect partly offset by accrual of incremental interest on Adjusted Gross Revenue (AGR) provision against Department of Telecommunication (DoT) in India. The gain on disposal recognised during fourth quarter 2022 was related to Digi, partly offset by accrual of incremental interest and currency effect on AGR provision against DoT in India.

The gain on disposal recognised in 2023 is mainly related to dtac and gain adjustment from Digi, offset by accruals of incremental interest and currency effects related to Telenor India. The gain on disposal recognised during 2022 was mainly related to Digi, partly offset by Telenor Myanmar and Telenor India.

dtac

On 1 March 2023, the amalgamation of the telecom operations True Corporation Public Company Ltd (True) and Total Access Communication Public Company Ltd (dtac) was completed. The name of the new company is True

Corporation Public Company Ltd (True), which is listed on the stock exchange in Thailand. On completion, the shares in dtac were converted to shares in True leading to a loss of control in dtac. See note 4 for further information about the transaction.

The gain recognised on the date of losing control over dtac amounts to NOK 18.5 billion, based on the market value of the combined entity as of opening of the Stock Exchange in Thailand 3 March 2023.

A gain of NOK 4.0 billion related to cumulative translation differences and a loss of NOK 0.9 billion related to net investment hedge items, previously recognised in other comprehensive income, have been reclassified and included in the gain calculation.

The success fee to advisors of NOK 158 million has been included in the gain calculation.

Historical figures for dtac have been re-presented as discontinued operation. The profit (loss) for dtac:

NOK in million	Fourth quarter		Year	
	2023	2022	2023	2022
Revenue	-	5 734	4 030	22 076
EBITDA	-	2 097	1 360	8 358
EBIT	-	586	368	2 203
Profit (loss) before tax	-	374	210	1 393
Income taxes	-	(80)	(185)	(95)
Profit (loss) after tax	-	294	25	1 298
Gain (loss) on disposal after tax	-	-	18 522	-
Profit (loss) from discontinued operations	-	294	18 546	1 298
Non-controlling interest	-	88	(19)	296

Digi

On 30 November 2022, the merger of the telecommunication operations of Celcom and Digi in Malaysia was completed. The new company is named CelcomDigi. On completion, Digi issued 3.96 billion shares to Axiata in addition to a cash payment of NOK 5.4 billion. The share issue diluted Telenor's ownership to 32.47% and Telenor lost control over Digi and Digi was deconsolidated and recognised as an associated company as of 30 November 2022.

The gain recognised on the date of losing control over Digi amounts to NOK 32.7 billion, based on a market value of the combined entity as of opening 1 December 2022, which was NOK 34.1 billion for Telenor's interest in the new company CelcomDigi. A gain of NOK 450 million related to cumulative translation differences and a loss of NOK 233 million related

to net investment hedge items, previously recognised in other comprehensive income, were reclassified and included in the gain calculation. The success fee to advisors of NOK 155 million was included in the gain calculation.

Prior to closing of the transaction, Digi obtained funds through external borrowings to finance the cash payment to Axiata. This is reflected as a significant cash inflow in Telenor's consolidated cash flow as financing activities. As Telenor lost control in Digi, the cash balance is derecognised under investing activities in the cash flow statement. The derecognised cash balance of NOK 6.4 billion includes the funding for payment to Axiata of NOK 5.4 billion.

Historical figures for Digi have been re-presented as discontinued operation. The profit (loss) for Digi:

NOK in million	Fourth quarter		Year	
	2023	2022	2023	2022
Revenue	-	2 440	-	12 362
EBITDA	-	1 110	-	6 026
EBIT	-	651	-	3 586
Profit (loss) before tax	-	569	-	3 136
Income taxes	-	(147)	-	(1 004)
Profit (loss) after tax	-	422	-	2 132
Gain (loss) on disposal after tax	-	32 652	290	32 652
Profit (loss) from discontinued operations	-	33 074	290	34 784
Non-controlling interest	-	205	-	999

The gain recognised during 2023 is an adjustment to the gain calculation due to an update of the closing balance as of 30 November 2022 for Digi.

Telenor Myanmar

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 instalments 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 represented the present value of the remaining USD 55 million deferred payment. The received deferred payment was recognised in the third quarter 2022. The transaction 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, resulting 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 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	Fourth quarter		Year	
	2023	2022	2023	2022
Revenue	-	-	-	1 018
EBITDA	-	-	-	617
EBIT	-	-	-	617
Profit (loss) before tax	-	-	-	602
Income taxes	-	-	-	(50)
Profit (loss) after tax	-	-	-	553
Gain (loss) on disposal after tax	-	-	-	(589)
Profit (loss) from discontinued operations	-	-	-	(36)

Telenor India

On 23 February 2017, the Group entered into an agreement with Bharti Airtel Limited (Airtel), whereby Airtel would take full ownership of Telenor India. The transaction was completed 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. For further information about the dispute in India, see note 23 in the Annual Report 2022.

Assets held for sale

The major classes of liabilities of the disposal groups classified as held for sale as of 31 December 2023 represents Telenor Satellite and Telenor India. In the first quarter 2023, Telenor paid NOK 1.5 billion related to the disputed items with Department of Telecommunications in India, reducing the provision accordingly. Telenor Satellite was disposed off on 4 January 2024 with sale consideration of NOK 2.36 billion received in cash, on debt and cash free basis.

As of 31 December 2022, Telenor India represents the major classes of liabilities (there are no assets held for sale). As of 31 December 2023, Telenor Satellite and Telenor India are presented as held for sale with Telenor India related liability amounting to NOK 3.6 billion:

NOK in million	31 December	31 December
	2023	2022
Assets		
Property, plant and equipment	1 093	-
Right of use assets	105	-
Other non-current assets	26	-
Inventory	92	-
Trade and other receivables	81	-
Other current assets	81	-
Cash and cash equivalents	220	-
Total assets held for sale	1 697	-
Liabilities		
Non-current liabilities	320	-
Current liabilities	3 954	4 735
Total liabilities held for sale	4 274	4 735

Amounts included in OCI

The accumulated amounts for discontinued operations recognised in Other comprehensive income (OCI) within equity are as follows:

NOK in million	31 December	31 December
	2023	2022
Digi	-	-
dtac	-	3 802
Telenor India	(862)	(654)
Total gain (loss)	(862)	3 148

Note 6 – Interest-bearing liabilities

The interest-bearing liabilities in Telenor mainly consists of bonds issued under the EMTN program (Euro Medium Term Note) in addition to bonds issued in Finland.

Interest-bearing liabilities

Fair value of interest-bearing liabilities (excluding lease liabilities) recognised at amortised cost:

NOK in million	31 December 2023	
	Carrying amount	Fair value
Interest-bearing liabilities ¹⁾	(87 475)	(82 661)
of which fair value level 1	-	(81 864)
of which fair value level 2	-	(797)

NOK in million	31 December 2022	
	Carrying amount	Fair value
Interest-bearing liabilities ¹⁾	(91 893)	(83 186)
of which fair value level 1	-	(78 213)
of which fair value level 2	-	(4 972)

1)Excluding lease liabilities

Note 7 – Fair value of financial instruments

Telenor uses various types of derivatives to hedge exposure for financial risks such as foreign exchange risks and interest rate risks.

Financial derivatives are recognised at fair value based on observable market data (level 2). See note 32 in the Annual Report 2022 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	31 December
	2023	2022
Other non-current assets	547	986
Other current financial assets	346	33

Non-current non-interest-bearing financial liabilities	(932)	(1 455)
Non-current interest-bearing financial liabilities	(2 448)	(3 652)
Current non-interest-bearing liabilities	(801)	(386)
Current interest-bearing liabilities	(42)	(10)
Total	(3 331)	(4 485)

Note 8 – Equity information

Significant transactions with non-controlling interests

Two major transactions are reflected in transaction with non-controlling interests in 2023, the Telenor Fibre transaction and the deconsolidation of dtac in Q1 2023.

Partial disposal of Telenor Fiber AS

On 1 February 2023, Telenor divested a 30 percent stake in the fibre infrastructure company Telenor Fiber AS in Norway to a consortium led by KKR with Oslo Pensjonsforsikring as co-investor. The divestment of 30 percent resulted in cash proceeds of NOK 10.8 billion to Telenor. The equity impact coming from non-controlling interest of fibre divestment was NOK 3.2 billion.

Deconsolidation of dtac

On 1 March 2023, the amalgamation between True Corporation Public Company Ltd (True) and Total Access Communication Public Company Ltd (dtac) in Thailand was completed. On completion, the shares in dtac were converted to shares in True leading to a loss of control in dtac and subsequently dtac being deconsolidated from Telenor Group and recognised as an associated company. The impact of derecognition of non-controlling interests related to dtac disposal was NOK 2.1 billion, mainly related to historical translation differences.

Share buyback

On 8 February 2023, Telenor announced a share buyback program for the year 2023-2024. The total program comprises 31.1 million shares, of which 12.8 million shares were repurchased in the market as of 31 March 2023 and 1.5 million shares were repurchased in the market as of 20 April 2023. With this, the market part of the buyback programme was finalised. The remaining 16.8 million shares will be purchased from the Kingdom of Norway through the Ministry of Trade, Industry and Fisheries and hence the Ministry's ownership interest in Telenor of 53.97% will remain unchanged.

The 31.1 million shares will be cancelled following approval by the Annual General Meeting in May 2024. The shares that have been repurchased in the open market have had an immediate cash effect whereas the pro rata shares from the Norwegian state will be paid simultaneously with the capital reduction in mid-2024.

Dividend

On 10 May 2023, the Annual General Meeting approved a dividend of NOK 9.40 per share to be paid out in two tranches of NOK 5.00 and NOK 4.40 in May and October 2023, respectively. The first tranche of NOK 5.00 was paid on 23 May 2023, with ex-dividend date of 11 May 2023. The second tranche of NOK 4.40 was paid on 31 October 2023 with ex-dividend date of 19 October 2023.

Note 9 – Uncertain tax positions

Telenor is involved in various legal proceedings and discussions related to its tax positions where the outcome is uncertain. Tax disputes with significant developments since year-end are summarised in this note.

Telenor ASA - India guarantee

On 19 June 2023, Telenor ASA received a ruling from the Appeal Court (Borgarting Lagmannsrett) regarding the appeal of tax deductibility of losses on the India guarantee for Unitech. The ruling was mainly favourable for Telenor as it upheld the decision by the District Court (Tingretten) that the losses of NOK 9.2 billion are tax deductible. The timing for tax deduction of the losses was changed from 2013 to 2015. This resulted in increased tax of NOK 221 million due to declining tax rates.

On 18 August 2023, the Norwegian government filed an appeal to the Supreme Court on both the issue of Telenor's ownership stake and whether the loss finally has been determined within the period of 2013-2017. On 6 September 2023, Telenor ASA filed a derivative appeal on the timing issue. On 14 November 2023, Appellate Committee in Supreme Court decided not to allow the appeal from the

government to be heard, and the derivative appeal thereby automatically lapses. The ruling from the Appeal Court then became final, and accordingly Telenor ASA has received repayment of taxes with NOK 2 270 million together with interest of NOK 149 million in the fourth quarter 2023. Refer to the Annual Reports 2022 note 10 for more information.

Grameenphone – NBR claims under BTRC audit

Grameenphone and Large Taxpayer Unit (LTU-Tax) signed agreements on 18 June 2023 and settled all remaining income tax disputes for the assessment years from 2007-2008 to 2019-2020 through Alternative Dispute Resolution (ADR) process and accordingly paid taxes amounting to NOK 775 million. Grameenphone obtained a tax clearance certificate from LTU for the same period on 22 June 2023. With this settlement of disputes, Grameenphone considers that the National Board of Revenue (NBR) claims under the BTRC audit demands related to corporate tax have been resolved. Refer to note 10 for more information about the BTRC claim.

Note 10 – Legal disputes

Telenor is subject to various legal proceedings, disputes and claims including regulatory discussions related to its business, licences and investments. Legal disputes with significant developments since year-end are summarised in this note.

Grameenphone – BTRC Audit

The Bangladesh Telecommunications Regulatory Commission (BTRC) has over several years conducted an information system audit of Grameenphone for the period 1997 to 2014. On 2 April 2019, Grameenphone received a demand notice from BTRC for payment of NOK 7.8 billion to BTRC (NOK 2.1 billion in principal and NOK 5.7 billion in interest), including some matters pending in ongoing formal resolution processes (sub-judice). These claims are unjustified from Telenor's and Grameenphone's position.

In addition, BTRC has un-authorized and erroneously claimed NOK 3.8 billion, which mainly is related to an already resolved matter and other sub-judice matters with the National Board of Revenue (NBR). With the ADR settlements as described in note 9, Telenor considers that the NBR claims under the BTRC audit demands related to corporate tax have been resolved.

The total demand amounts to NOK 11.6 billion (the Demand). Overall, the Demand is based on allegations that Grameenphone has, amongst other things, underpaid various taxes, such as corporate taxes, SIM tax, VAT, and revenue share from its mobile operation. The Demand is comprised of claims against 26 line items, of which 22 line items are related to BTRC matters and no provision has been

recorded based on the Demand dated 2 April 2019, as such. The other 4 line items, of which 2 have been resolved as described in note 9, are related to NBR matters where Telenor and Grameenphone in previous years have recorded provisions based on an assessment of the legal merits of the claims.

The original Title suit, where the court is supposed to assess the merits of the Demand, is pending at the District Court. BTRC submitted their response in the title suit in District Court 26 May 2022. The District Court has fixed the next date on 29 September 2024 where the parties shall inform the court whether they will pursue mediation, as provided by 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 was whether VAT is included in the license fee or excluded and thereby needs to be added and paid separately and the deductibility of VAT from BTRC payments. In addition, BTRC imposed a Market Competition Factor (MCF) on the 7.4 MHz spectrum assigned in 2008 which Grameenphone disputed.

The written judgement was published by the Appellate Division on 1 June 2023 stating that VAT needs to be added and paid to BTRC, whilst BTRC will forward VAT to NBR. Further, rebate is not allowed as spectrum is considered to be infrastructure owned by the state. The Appellate Division also concluded that BTRC may impose MCF on the mobile

operators. Grameenphone has paid the entire principal amount of approximately NOK 960 million to BTRC on 14 June 2023. The payment of the principal amount is made without prejudice to its right to pursue Review Petitions (RPs) and without conceding any factual or legal issue in accordance with the said judgment. While making the said payment, Grameenphone also reserved the right to adjust against its future payment obligations subject to the outcome of the RPs. Subsequently, Grameenphone has also filed RPs before the Appellate Division challenging the said judgement. Grameenphone is currently engaged in a without prejudice reconciliation exercise with BTRC, where substantial late payment fees are among the topics.

Grameenphone – Workers Profit Participation Fund

Mobile operators in Bangladesh have for several years been required by law to establish a Worker's Profit Participation Fund ("WPPF") for distribution of 5 % of the company's annual net profit to their employees. A number of former employees of Grameenphone have filed individual cases at Labour Court (LC) claiming benefits related to WPPF. Grameenphone is defending these cases at the Labour Court. Before any substantive hearing, Grameenphone is filing maintainability applications seeking dismissal of the cases. Further steps will be taken in due course of time based on the outcome.

Note 11 – Events after the reporting period

Dividend for 2023

Based on the performance during the year, the Board of Directors propose an ordinary dividend of NOK 9.50 per share for 2023, to be declared by the Annual General Meeting (AGM) on 7 May 2024. The proposed dividend shall be split into two tranches of NOK 5.00 and NOK 4.50 per share, to be paid in May and October 2024 respectively, and represents a 1.1% increase per share compared to 2022.

Divestment of Telenor Satellite to Space Norway

On 4 January 2024, Telenor announced the closing of the transaction regarding the sale of Telenor Satellite to Space Norway. The transaction of agreed sales price of NOK 2.36 billion resulted in a gain for Telenor of around NOK 1.3 billion which will be recorded in Q1 2024.

Grameenphone – Bangladesh

On 5 February 2024, the Board of Directors of Grameenphone Ltd. proposed final dividend for 2023 of BDT 12.5 per share, which corresponds to approximately NOK 1.6 billion total dividend and approximately NOK 0.7 billion for the non-controlling interests ownership share.

Definitions and Alternative Performance Measures

Definitions

Revenues

Mobile operations

Mobile service revenues

Consists of subscription and traffic revenues from the company's own subscriptions, Internet of Things (IoT) and other mobile service revenues.

Wholesale & other mobile

Consists of inbound roaming, interconnect, and mobile wholesale revenues e.g., from national roaming, service providers and MVNOs.

Devices

Consist of revenues from mobile customer equipment.

Fixed operations

Fixed service revenues

Consist of telephony, internet and TV, and other fixed services such as security, leased lines and managed services.

Other fixed revenues

Consists of fixed wholesale revenues and broadcasting revenues such as terrestrial radio and TV transmission.

Other operations

Satellite

Consist of revenues from satellite services from the satellite position 1-degree west.

Connexion

Consist of revenues from subscription and services related to IoT, i.e., industrial mobile data applications directed at communication between machines.

Maritime

Consist of revenues from maritime communication services.

Linx

Consist of revenues from international carrier business and from software related to digital authentication, payment and third-party sales & distribution.

Nordic towers

Consist of colocation and related revenues from tower business in Norway, Sweden, and Finland.

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. Contract subscriptions are counted until the subscription is terminated or until there has been no revenues or outgoing/incoming traffic during the last three months. Prepaid subscriptions are counted as active if there has been outgoing or incoming traffic or if the SIM card has been reloaded during the last three months. Service provider and MVNO subscriptions are not included. Data only SIM cards are included, but SIM cards used for IoT applications and twin/multi SIM cards are excluded. Total subscriptions are voice SIM cards plus data only SIM cards used for mobile broadband.

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

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.

Alternative Performance Measures

Telenor Group's financial information is prepared in accordance with IFRS Accounting Standards. 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 Accounting Standards. 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 Accounting Standards and may not, therefore, be comparable with similarly titled measures reported by other companies).

Reconciliation

NOK in million	YTD		Change YTD	
	2023	2022	2023	Change YoY
Total revenue	80 452	76 877	3 575	4.7 %
Impact using exchange rates for 2023	-	1 048	(1 048)	
M&A	-	(26)	26	
Organic revenue	80 452	77 899	2 553	3.3 %

NOK in million	Fourth quarter		Change fourth quarter	
	2023	2022	2023	Change YTD
Total revenue	20 934	19 667	1 267	6.4 %
Impact using exchange rates for 2023	(178)	356	(534)	
Organic revenue	20 755	20 023	732	3.7 %

NOK in million	Fourth quarter		Change fourth quarter	
	2022	2021	2022	Change YoY
Total revenue	19 667	19 214	453	2.4 %
Impact using exchange rates for 2022	54	(71)	125	
M&A	-	(73)	73	
Organic revenue	19 721	19 070	651	3.4 %

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 Accounting Standards and may not, therefore, be comparable with similarly titled measures reported by other companies).

Reconciliation

NOK in million	YTD		Change YTD	
	2023	2022	2023	Change YoY
Service revenues	62 540	59 760	2 780	4.7%
Impact using exchange rates for 2023	-	397	(397)	
Organic service revenues	62 540	60 156	2 384	4.0%

NOK in million	Fourth quarter		Change fourth quarter	
	2023	2022	2023	Change YTD
Service revenues	16 073	14 984	1 089	7.3%
Impact using exchange rates for 2023	(135)	207	(342)	
Organic service revenues	15 938	15 191	747	4.9%

NOK in million	Fourth quarter		Change fourth quarter	
	2022	2021	2022	Change YoY
Service revenues	14 984	15 459	(475)	-3.1%
Impact using exchange rates for 2022	83	(89)	172	
Organic service revenues	15 067	15 370	(304)	-2.0%

Service revenues

NOK in million	Fourth quarter		Year	
	2023	2022	2023	2022
Total revenues	20 934	19 667	80 452	76 877
Less: Handsets and other devices	(2 278)	(2 025)	(7 445)	(7 078)
Less: Lease revenues	(270)	(459)	(1 573)	(1 645)
Revenues from rendering of services	18 386	17 183	71 433	68 154
Less: Revenue from other operators	(1 509)	(1 622)	(6 223)	(6 231)
Less: Other revenues	(803)	(577)	(2 671)	(2 163)
Service revenues	16 073	14 984	62 540	59 760

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	YTD		Change YTD	
	2023	2022	2023	Change YTD
Gross profit	61 396	59 058	2 337	4.0 %
Impact using exchange rates for 2023	-	160	(160)	
M&A	-	(29)	29	
Organic gross profit	61 396	59 189	2 206	3.7 %

NOK in million	Fourth quarter		Change fourth quarter	
	2023	2022	2023	Change YoY
Gross profit	15 749	14 794	955	6.5 %
Impact using exchange rates for 2023	(123)	160	(283)	
Organic gross profit	15 626	14 955	672	4.5 %

NOK in million	Fourth quarter		Change fourth quarter	
	2022	2021	2022	Change YoY
Gross profit	14 794	14 567	227	1.6 %
Impact using exchange rates for 2022	83	(37)	120	
M&A	-	(81)	81	
Organic gross profit	14 878	14 450	428	3.0 %

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	YTD		Change YTD	
	2023	2022	2023	Change YTD
Operational expenses	26 832	25 229	1 603	6.4 %
Impact using exchange rates for 2023	-	351	(351)	
M&A	-	(1)	1	
Organic operational expenses	26 832	25 579	1 253	4.9 %

NOK in million	Fourth quarter		Change fourth quarter	
	2023	2022	2023	Change YoY
Operational expenses	7 282	6 755	528	7.8 %
Impact using exchange rates for 2023	(57)	118	(175)	
Organic operational expenses	7 225	6 872	353	5.1 %

NOK in million	Fourth quarter		Change fourth quarter	
	2022	2021	2022	Change YoY
Operational expenses	6 755	6 366	389	6.1 %
Impact using exchange rates for 2022	12	(3)	15	
M&A	-	(3)	3	
Organic operational expenses	6 767	6 360	407	6.4 %

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	YTD		Change YTD	
	2023	2022	2023	Change YoY
EBITDA	34 564	33 830	734	2.2%
Impact using exchange rates for 2023	-	(191)	191	
M&A	-	(28)	28	
Organic EBITDA	34 564	33 610	953	2.8%

NOK in million	Fourth quarter		Change fourth quarter	
	2023	2022	2023	Change YoY
EBITDA	8 467	8 040	427	5.3%
Impact using exchange rates for 2023	(65)	43	(108)	
Organic EBITDA	8 401	8 082	319	3.9%

NOK in million	Fourth quarter		Change fourth quarter	
	2022	2021	2022	Change YoY
EBITDA	8 040	8 202	(162)	-2.0%
Impact using exchange rates for 2022	72	(34)	106	
M&A	-	(78)	78	
Organic EBITDA	8 111	8 090	21	0.3%

Capital expenses

Capital expenses (capex) are derived from the balance sheet and consist of investments in property, plant and equipment (PPE), intangible assets and right-of-use-assets, including licences and spectrum. Capex excludes business combinations and asset retirement obligations. Capex is a measure of investments made in the operations in the relevant period and is useful to investors and other stakeholders in evaluating the capital intensity of the operations. Capex excl. lease and capex/revenues is deemed to better gauge the actual capital expenses incurred in the period than the payment for purchases of PPE, intangible assets and right-of-use assets in the cash flow statement.

Capex excl. lease is relevant to users to measure the level of underlying investments. Historically, leases have varied significantly between reporting periods.

Reconciliation

NOK in million	Fourth quarter		Year	
	2023	2022	2023	2022
Purchases of PPE, intangible assets and prepayments for right-of-use assets	3 169	4 714	14 728	19 298
Capex related working capital and other changes	16	208	(1 198)	(676)
Deferred lease obligations including licences	652	3 226	4 827	9 113
Less:				
Discontinued operations	-	(1 039)	(816)	(5 906)
Total Capex incl. leases	3 837	7 109	17 542	21 829
Licence and spectrum acquisition	21	(1 903)	(678)	(4 592)
Other leases	(764)	(1 185)	(4 133)	(3 677)
Capex excl. lease	3 094	4 020	12 731	13 560
Total revenues	20 934	19 667	80 452	76 877
Capex excl. lease/Revenues (%)	14.8 %	20.4 %	15.8 %	17.6 %
Total Capex/Revenues (%)	18.3 %	36.1 %	21.8 %	28.4 %

Investments

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

NOK in million	Fourth quarter		Year	
	2023	2022	2023	2022
Capital expenses	3 837	7 109	17 542	21 829
Investments in businesses	(55)	771	5 776	965
Investments	3 782	7 880	23 318	22 794

Investments in businesses for the third quarter and full year 2022 were overstated by NOK 20 million in the 2022 reports published earlier, and the error has now been corrected.

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 Accounting Standards. The most directly comparable IFRS Accounting Standards measure is the aggregate interest-bearing liabilities (both current and non-current) and cash and cash equivalents. A reconciliation from these to net debt is provided below.

Reconciliation

NOK in million	31 December 2023	31 December 2022
Non-current interest-bearing liabilities	75 686	82 724
Non-current lease liabilities	13 201	24 417
Current interest-bearing liabilities	11 789	9 169
Current lease liabilities	4 107	6 674
Less:		
Cash and cash equivalents	(19 556)	(9 929)
Hedging instruments	-	(27)
Financial instruments	(269)	(277)
Adjustments:		
Non-current licence obligations	(3 922)	(11 944)
Current licence obligations	(1 253)	(2 931)
Net interest-bearing debt excluding licence obligations	79 781	97 875

Leverage ratio

Telenor measures leverage as the ratio of Net debt to EBITDA before other items and dividends from associated companies and joint ventures. The leverage definition is aligned with our alternative performance measure organic EBITDA before other items growth for controlled entities, and cash flow contribution from associates and joint ventures. Further, the usage of EBITDA before other items for controlled entities prevents temporary spikes in leverage due to other income and expenses and thus ensures transparency and a better understanding of Telenor's ability to cover debt with profits from its regular operations.

Telenor aims to maintain a solid balance sheet through keeping leverage ratio in the range of 1.8x to 2.3x, in order to maintain financial flexibility and ensure cost efficient funding. The measure provides useful information about the strength of our financial position and is regularly reported internally.

NOK in million	Year	
	2023	2022
A - Net debt	79 781	97 875
B - EBITDA before other items	34 564	42 374
C - Dividends from associates and joint ventures	1 794	1 376
D - Leverage ratio $D=A/(B+C)$	2.2	2.2

Dividend from associated companies and joint ventures for the full year 2022 includes dividends from Digi as a subsidiary on a proforma basis of NOK 0.8 billion before merger with Celcom. Dividends from associated companies and joint ventures for the full year 2023 includes dividend from dtac as a subsidiary on proforma basis of NOK 0.6 billion. EBITDA before other items for the full year 2022 includes EBITDA before other items contribution from dtac.

Free cash flow

Telenor makes use of free cash flow and free cash flow before M&A activities as important performance measures when presenting and discussing 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	Fourth quarter		Year	
	2023	2022	2023	2022
Net cash flows from operating activities	8 920	9 365	29 120	39 222
Net cash flows from investing activities	(2 537)	(11 512)	(7 554)	(23 145)
Payments of lease liabilities related to spectrum licences	(138)	(909)	(1 886)	(2 484)
Payments of lease liabilities related to other lease contracts	(830)	(1 500)	(3 583)	(5 589)
Repayments of borrowings - supply chain financing	88	122	(79)	21
Dividends paid to and purchase of shares from non-controlling interest	21		(1 015)	(2 802)
Adjustment for payment to Axiata by CelcomDigi after the merger	-	5 381	-	5 381
Free cash flow	5 525	947	15 003	10 604
M&A activities	605	(1 598)	5 514	738
Free cash flow before M&A activities	4 919	2 546	9 490	9 865

Net cash flows from investing activities for the full year 2022 include the negative deconsolidation effect of the closing cash balance in Digi on 30 November 2022 before the merger. The closing cash balance in Digi was NOK 6.4 billion which include NOK 5.4 billion financing obtained externally by Digi to make payment to Celcom's owner, Axiata, right after the merger. Since free cash has by definition one sided negative effect through investing activities for NOK 5.4 billion, an adjustment has been made to exclude the negative effect from free cash flow. Total cash flow including financing activities is not affected by this adjustment.

Return On Capital Employed (ROCE)

When evaluating different financial metrics before making an investment, the 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	Year	
	2023	2022
Operating profit	16 964	15 143
Share of net income (loss) including impairments and gains/losses from associated companies and joint ventures	(8 466)	(301)
Income taxes	(4 332)	3 009
A - Earnings	4 166	17 851
B - Telenor's share of earnings from CelcomDigi	647	-
B - Telenor's share of earnings from True Corp including impairment	(8 321)	-
C - Adjusted earnings (C=A-B)	11 840	17 851
Total equity as of beginning of the period	64 375	31 500
Net interest-bearing debt including licence obligations as of beginning of the period	112 750	115 543
Net pension obligations as of beginning of the period	1 919	2 429
D - Total capital employed as of beginning of the period	179 045	149 472
Total equity as of end of the period	70 434	64 375
Net interest-bearing debt including licence obligations as of end of the period	84 956	112 750
Net pension obligations as of end of the period	1 821	1 919
E - Total capital employed as of end of the period	157 212	179 045
F - Average capital employed before adjustments (F=(D+E)/2)	168 128	164 258
G - Adjustment for Telenor Myanmar and Canal Digital	-	(117)
G - Adjustment for Digi's capital employed	-	6 026
G - Adjustment for dtac's capital employed	19 003	37 823
G - Adjustment for CelcomDigi	34 099	17 218
G - Adjustment for True Corporation	6 766	-
H - Average capital employed (H=F-G)	108 260	103 308
I - Return on capital employed (I=C/H)	11%	17%



Fourth quarter 2023
Published by Telenor ASA
N-1360 Fornebu, Norway
Phone: +47 67 89 00 00

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

www.telenor.com