

# Q4 – 2022

Interim report  
October – December 2022

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## Executing on the strategy

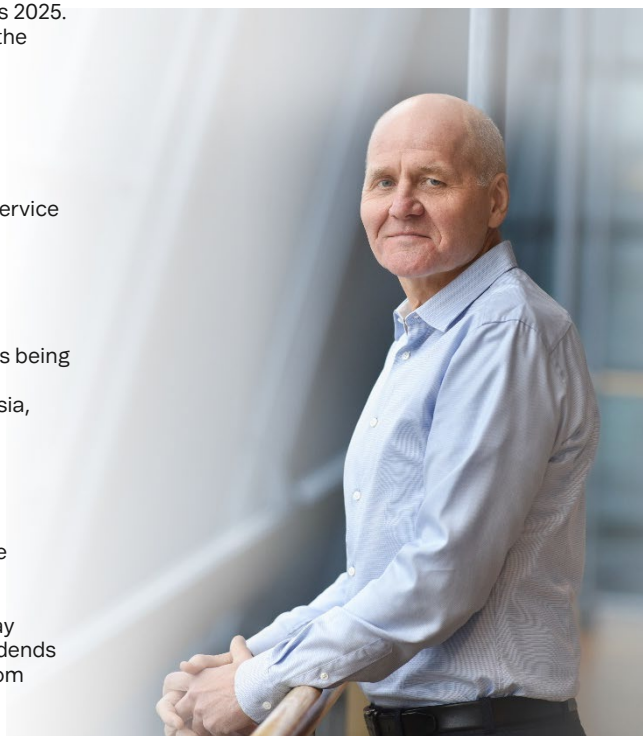
“The quarter represents significant progress on our new strategic roadmap towards 2025. Mobile service revenues in Telenor Nordics increased by 5 percent, demonstrating the growth potential in the region. We completed the merger in Malaysia establishing CelcomDigi as the clear market leader, we agreed on the sale of 30 percent of the Norwegian fibre business, and we completed the decommissioning of the copper network in Norway. All in the same quarter”, says Sigve Brekke, President and CEO of Telenor Group.

Improved mobile growth in the Nordics contributed to an organic increase in both service revenues and EBITDA for the full year, despite increased energy costs and negative revenues impact from the copper decommissioning. Completion of the CelcomDigi merger led to a gain of NOK 33 billion, and a record net income of NOK 45 billion for the full year. Free cash flow amounted to NOK 11 billion for the year.

In addition to the completion of the CelcomDigi merger in Malaysia, good progress is being made towards completion of the merger between dtac and True in Thailand. These transactions are the two largest telecommunications mergers ever in South-East Asia, and will establish market leader positions, along with opening growth opportunities and reducing risk. As earlier communicated, the synergies from these transactions will strengthen cash flow and value creation over time.

For 2023, Telenor expects low to mid-single digit growth for both service revenues and EBITDA in the Nordics. The capex to sales ratio for the Nordics is expected to be around 17%.

Overall, Telenor maintains the mid-term ambitions outlined at its Capital Markets Day in 2022, including the dividend policy aiming at year-on-year growth in ordinary dividends per share. For 2022, the company proposes a dividend of NOK 9.40 per share, up from NOK 9.30 per share in the previous year.



## Key figures Telenor Group<sup>\*)</sup>

NOK in million	Fourth quarter		Year	
	2022	2021	2022	2021
Revenues	25 402	24 865	98 953	97 153
Organic revenue growth (%)	1.5	1.9	2.8	0.6
Service revenues	18 852	18 385	74 957	74 055
Organic service revenue growth (%)	1.9	0.7	1.9	0.1
EBITDA before other income and other expenses	10 146	10 148	42 374	42 656
Organic EBITDA growth (%)	0.1	(0.8)	0.5	0.1
EBITDA before other income and other expenses/Revenues (%)	39.9	40.8	42.8	43.9
Net income attributable to equity holders of Telenor ASA	37 906	587	44 913	1 528
Capex excl. licences and spectrum	4 637	5 257	16 728	16 277
Total Capex	6 540	7 414	21 319	20 646
Free cash flow before M&A	2 546	(273)	9 865	11 015
Total Free cash flow	948	(472)	10 604	12 669
Mobile subscriptions - Change in quarter/Total (mill.)	(3.4)	0.2	158.3	161.9

<sup>\*)</sup> With effect from the fourth quarter of 2022, Digi in Malaysia is classified as discontinued operations, see note 4. As a consequence, the relevant figures, except for the net income and free cash flow, in the table above and throughout the report excludes Digi.

## Fourth quarter and full year 2022 summary<sup>1)</sup>

- Total reported revenues were NOK 25.4 billion, which is an increase of NOK 0.5 billion compared to the same period last year. Service revenues increased by 1.9% on an organic basis both for the fourth quarter and for the full year.
- Reported opex increased by NOK 0.7 billion. Organic opex increased by NOK 0.6 billion or 8%. For the full year, organic opex increased by NOK 1.5 billion or 5%.
- Reported EBITDA before other items was NOK 10.1 billion and was stable on reported basis but increased by 0.1% on an organic basis. For the full year, organic EBITDA increased by 0.5%.
- Increase in energy cost had an EBITDA impact of NOK 0.3 billion for the fourth quarter and NOK 1 billion for the full year. The increase translated to 3 percentage points impact on EBITDA both for the fourth quarter and for the full year.
- Capex excluding licences and spectrum fees was NOK 4.6 billion, yielding a capex to sales ratio of 18.2% for the fourth quarter, and 16.9% for the full year.
- Net income attributable to equity holders of Telenor ASA was NOK 37.9 billion for the quarter and NOK 44.9 billion for the full year. A gain of NOK 32.9 billion was recognised upon closure of the merger between Digi and Celcom. With completion of the merger, Digi as a subsidiary is de-consolidated and the historical income statement figures have been reclassified to discontinued operations, see note 4.
- Total free cash flow was NOK 0.9 billion for the quarter, including negative contribution from M&A activities of NOK 1.6 billion mainly related to the merger transaction in Malaysia. Free cash flow before M&A activities was NOK 2.5 billion. For the full year, total free cash flow was NOK 10.6 billion, of which NOK 9.9 billion was before M&A activities.
- Deconsolidation of Digi and the performance in the quarter led to the leverage ratio of 2.2x, which is an increase of 0.1x compared to the end of the previous quarter. Based on the merger transaction in Malaysia, the leverage definition now includes dividends from associated companies.

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

### Environmental, Social and Governance (ESG) approach

Responsible business conduct is an integrated part of Telenor Group's strategy and performance management, and a key foundation for sustainable value creation. We focus on responsible business practices across all our markets and work to continually improve our approach. Guided by international standards and our operational experience, we work systematically to address risks and to maximise the positive impact of our business. For more information about ESG, please see additional information on page 38.

### Macroeconomic development – currency exchange rates

The strengthening of NOK against other currencies has had a positive impact of approximately NOK 1 billion on net debt for the fourth quarter, primarily related to EUR and SEK debt in Telenor ASA.

This year, the negative impact from general weakening of NOK against other currencies was approximately NOK 5 billion, including currency translation of net debt from subsidiaries' functional currencies to NOK, of which NOK 3 billion was related to EUR and SEK debt in Telenor ASA.

### Shareholder remuneration

Telenor maintains the ambitions outlined during its Capital Markets Day in 2022, including the dividend policy aiming at year-on-year growth in ordinary dividends per share. For 2022, the company proposes a dividend of NOK 9.40 per share, up from NOK 9.30 per share in the previous year.

### Outlook

Telenor maintains the mid-term ambitions outlined at the Capital Markets Day in 2022.

The company aims to generate profitable growth in the Nordics, with a mid-term ambition to deliver low to mid single-digit service revenue growth and mid single-digit growth in EBITDA.

For 2023, Telenor expects to see low to mid single-digit growth for both service revenues and EBITDA in the Nordics. Capex to sales in the Nordics is expected to be around 17%. The Capex is expected to decline in the following years as the company aims to reduce Nordic capex by around NOK 2 billion in nominal terms from 2022 to 2025.

Telenor maintains the dividend policy to aim for a year-on-year growth on ordinary dividends per share, and reiterates that the dividend is expected to be covered by free cash flow in 2025. The company's outlook for free cash flow excluding M&A and new spectrum investments for 2023-2025 is unchanged from the CMD.

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

## Group performance in the fourth quarter 2022<sup>1)</sup>

### SERVICE REVENUES

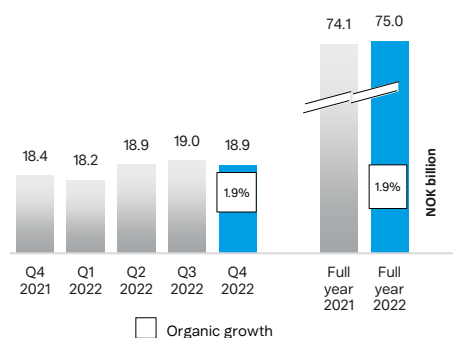
Service revenues increased by 3% on reported and 2% on an organic basis.

In the Nordics, increasing demand for value-added services, higher roaming revenues and larger subscriber bases in Sweden and Finland continued to drive service revenue growth. In addition, price adjustments in all markets contributed to an increase in mobile ARPU. Total service revenues grew by 2% and mobile service revenues grew by 5%.

In Asia, Grameenphone in Bangladesh continued to grow service revenues as a result of price adjustments and increased data usage. In Pakistan, service revenues were impacted by the macro-economic environment. In Thailand, service revenues declined due to continued pressure on ARPU. Total service revenues grew by 0.3%.

Service revenue growth was also supported by good development in Telenor Maritime and IoT provider, Telenor Connexion.

For the full year, reported service revenues increased by 1% and organic service revenues grew by 2%. Growth in mobile and non-legacy fixed services in the Nordics, Bangladesh and Pakistan was partly offset by decline in fixed legacy revenues in Norway and lower revenues in Thailand.

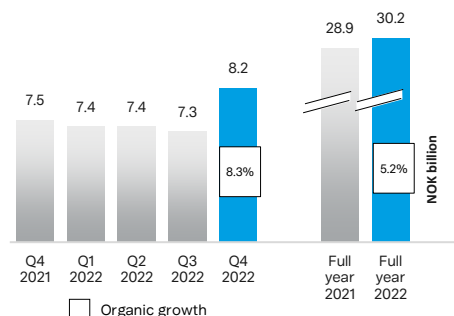


□ Organic growth

### OPERATING EXPENSES (OPEX)

Reported opex increased by NOK 0.7 billion in the quarter. On an organic basis, opex increased by NOK 0.6 billion, or 8%. The increase was primarily driven by higher energy costs and a provision in Grameenphone related to VAT on 2G license payments.

For the full year, reported opex increased by NOK 1.3 billion. Organic opex increased by NOK 1.5 billion or 5%. Adjusted for positive items in Norway and Thailand in the second quarter, organic opex increased by NOK 1.9 billion, of which NOK 0.6 billion was related to increased energy cost and NOK 0.2 billion was related to higher project costs.



□ Organic growth

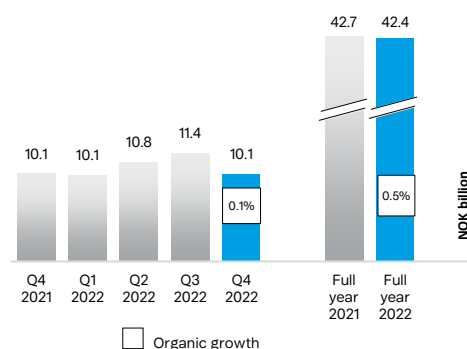
<sup>1)</sup> The comments are related to Telenor's development in the fourth quarter of 2022 compared to the fourth quarter of 2021 and are based on current Group structure unless otherwise stated. Please refer to page 30 for Definitions and descriptions of Alternative Performance Measures.

## EBITDA BEFORE OTHER INCOME AND OTHER EXPENSES (EBITDA)

EBITDA was stable on reported basis but increased by 0.1% on an organic basis.

The positive contribution from mobile service revenue growth was more than offset by the reduced contribution from copper revenues in Norway and increased opex. Lower copper revenues in Norway, project costs and increased energy costs had a negative effect on EBITDA of around 4 percentage points.

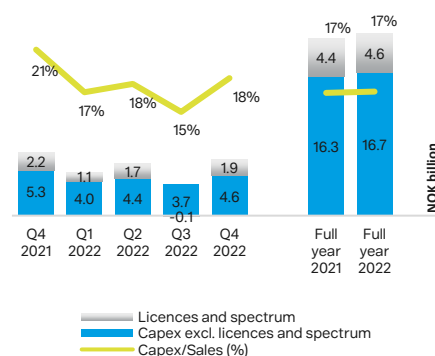
For the full year, reported EBITDA decreased by NOK 0.3 billion, while the organic EBITDA increased by 0.5% or NOK 0.2 billion. The contribution from mobile service revenue growth and positive non-recurring effects in Pakistan, Norway, Thailand, and Other units during previous quarters of this year, were partly offset by the reduced contribution from copper revenues, increased project costs and higher energy costs, which had a negative effect on the EBITDA of around 5 percentage points.



## CAPITAL EXPENSES (CAPEX)

Capex excluding licences and spectrum was NOK 4.6 billion, which corresponds to a capex to sales ratio of 18.2%. The full year capex amounted to NOK 16.7 billion, driven by the 5G roll-out in the Nordics, fibre investments in Norway and network investments in Thailand.

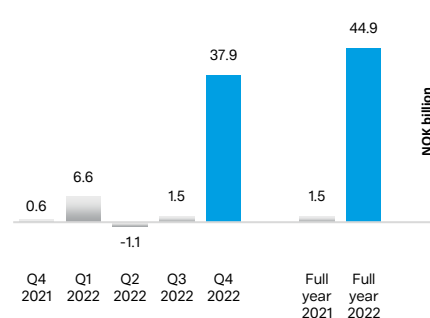
For the full year, licenses and spectrum fees amounted to NOK 4.6 billion, including NOK 1.7 billion related to additional spectrum fee in Pakistan, which is pursuant to the Supreme Court ruling where the detailed judgement is still awaited, see note 7 for more information. Moreover, Grameenphone booked NOK 1.9 billion in the fourth quarter, mainly for the spectrum awarded earlier in the year and assigned in the fourth quarter.



## NET INCOME

Net income attributable to equity holders of Telenor ASA in the fourth quarter was NOK 37.9 billion, which is an increase of NOK 37.3 billion compared to the same period last year. Net income from discontinued operations after non-controlling interests increased by NOK 33.3 billion, driven by NOK 32.9 billion gain recognised as part of the merger completion in Malaysia. Net income from continued operations increased by NOK 4.0 billion to NOK 4.8 billion mainly as a result of NOK 3.2 billion tax deduction related to realisation of tax losses following internal legal restructuring in Asia.

For the full year 2022, net income to equity holders of Telenor ASA was NOK 44.9 billion, which is an increase of NOK 43.4 billion. Net income from discontinued operations increased by NOK 38.3 billion, mainly due to the gain on disposal of Digi of NOK 32.9 billion and impairment of Telenor Myanmar last year of NOK 6.5 billion. Net income from continued operations was NOK 12.0 billion, which is an increase of NOK 5.1 billion, mainly due to reversal of tax expense related to India guarantee of NOK 2.5 billion, tax deduction of NOK 3.2 billion related realisation of tax losses following internal legal restructuring in Asia, gain on disposal of fixed non-core assets in Sweden of NOK 1.7 billion, partly offset by impairment of Telenor Pakistan of NOK 2.5 billion.



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

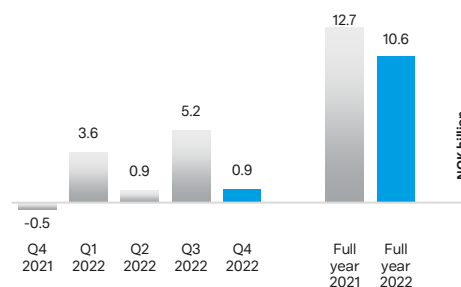
## FREE CASH FLOW

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

Free cash flow before M&A was NOK 2.5 billion, which is an increase of NOK 2.8 billion, primarily due to positive changes in working capital, lower spectrum & licenses payments, and increased dividends from associates. Cash flow from M&A activities in the quarter was negative NOK 1.6 billion, primarily driven by deconsolidation of Digi in Malaysia of NOK 1.0 billion and payment related to the merger of NOK 0.7 billion, partly offset by NOK 0.4 billion inflow from sale of Wave Money in Myanmar.

For the full year 2022, cash flow before M&A was NOK 9.9 billion, which is a decrease of NOK 1.2 billion compared to the same period last year, primarily due to negative working capital changes, lower contribution from Myanmar and higher capex payments, partly offset by payment of Norwegian Competition Authority's fine in Norway last year. Working capital for the full year remained almost stable on an underlying basis.

For the full year 2022, total free cash flow stood at NOK 10.6 billion, of which NOK 0.7 billion were from M&A activities. M&A activities for the first three quarters amounted to NOK 2.3 billion and included inflows of NOK 2.9 billion related to the disposal of fixed non-core assets in Sweden, and the receipt of NOK 1.0 billion final instalment from the sale of operation in Central and Eastern Europe in 2018. M&A related cash outflows for the first three quarters included NOK 1.4 billion related to the sale of Myanmar. Cash flow from M&A activities of NOK 1.7 billion for the full year 2021 included receipt of instalments of NOK 2.0 billion related to the sale of operations in Central and Eastern Europe in 2018.

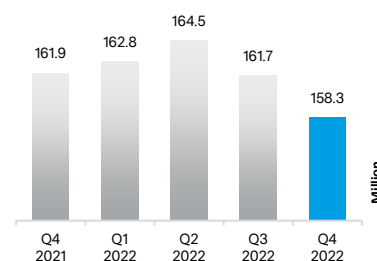


## MOBILE SUBSCRIPTIONS

The Group's mobile subscription base decreased by 3.4 million and stood at 158 million at the end of the quarter.

The reduction was mainly driven by Asia, with Grameenphone and Telenor Pakistan having decreases of 2.7 million and 0.8 million subscribers, respectively. In Bangladesh, the decline was a result of the ban on sale of SIM cards, which was lifted on 3<sup>rd</sup> January, while Pakistan was impacted by flooding and network outages. dtac in Thailand continued to grow its subscriber base, adding 0.1 million subscribers during the quarter.

In the Nordics, Sweden and DNA increased their subscriber bases, by 8 000 and 4 000 subscriptions, respectively. Denmark had a decline of 5 000 subscribers, while Norway ended the quarter with a decline of 34 000 subscribers.



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

## Telenor's operations

The comments and financial figures for Telenor's segments are related to the development in local currency in the fourth quarter of 2022 compared to the fourth quarter of 2021, unless otherwise stated. Please refer to Definitions on page 30 for descriptions of alternative performance measures. All comments on EBITDA are made on development in EBITDA before other income and other expenses. Please refer to page 13 for 'Specification of other income and other expenses. Additional information is available at: [www.telenor.com/ir](http://www.telenor.com/ir)

### Norway

In December, Telenor Norway reached a milestone in their modernisation journey by successfully completing the migration of all own customers on fixed legacy products to services based on fibre and fixed wireless access. Modernisation of the mobile network continued, and Telenor was once again confirmed by Ookla as the fastest mobile network in Norway.

Mobile ARPU increased by 5%, driven by increased demand for value-added services and higher roaming revenues, as well as price adjustments. Mobile subscriptions decreased by 34 000, mainly in prepaid and public segments. Mobile service revenues increased by 3%.

Fixed non-legacy service revenues increased by 4%, partly compensating for the decline in copper revenues. Fibre subscribers increased by 7 000 and fixed wireless access subscribers by 3 000. Total broadband ARPU remained stable compared to the same period last year.

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

Opex increased by 3%, mainly due to higher activity levels and personnel related costs. Reported EBITDA decreased by 3%, or by 5% when adjusted for a reclassification to internal lease assets. The reduction was driven by lower contribution from copper services and higher energy costs, partly offset by adjustments related to handsets swap-programme, with total impact on EBITDA of NOK 50 million.

Capex was driven by fibre rollout and mobile network modernisation. For the full year, the capex to sales ratio was 23%.

NOK in million	Fourth quarter		Year	
	2022	2021	2022	2021
<b>Revenues mobile operation</b>				
Mobile subscription and traffic	2 823	2 814	11 368	11 210
Other mobile services	201	121	564	463
<b>Total mobile service revenues</b>	<b>3 024</b>	<b>2 935</b>	<b>11 931</b>	<b>11 673</b>
Wholesale and other mobile	333	307	1 330	1 161
Non-mobile	757	741	2 701	2 518
<b>Total revenues mobile operation</b>	<b>4 115</b>	<b>3 983</b>	<b>15 962</b>	<b>15 353</b>
Telephony	47	121	264	572
Internet and TV	1 707	1 758	6 857	7 036
Other fixed services	157	149	580	588
<b>Total fixed service revenues</b>	<b>1 910</b>	<b>2 028</b>	<b>7 701</b>	<b>8 195</b>
Hardware	117	94	266	243
Wholesale and broadcasting	376	353	1 471	1 571
<b>Total revenues fixed operation</b>	<b>2 404</b>	<b>2 474</b>	<b>9 438</b>	<b>10 009</b>
<b>Total service revenues</b>	<b>4 935</b>	<b>4 963</b>	<b>19 633</b>	<b>19 869</b>
<b>Total revenues</b>	<b>6 519</b>	<b>6 457</b>	<b>25 400</b>	<b>25 362</b>
Gross profit	4 895	4 928	19 473	19 910
Operating expenses	(1 890)	(1 833)	(7 238)	(7 152)
<b>EBITDA before other items</b>	<b>3 005</b>	<b>3 096</b>	<b>12 236</b>	<b>12 758</b>
<b>Operating profit</b>	<b>1 150</b>	<b>453</b>	<b>4 707</b>	<b>4 987</b>
EBITDA before other items/Total revenues (%)	46	48	48	50
Capex excl. Licences and Spectrum	1 317	1 667	5 876	5 515
<b>Statistics (monthly in NOK):</b>				
Mobile ARPU	371	354	363	350
Fixed Internet ARPU	498	457	497	447
TV ARPU	380	353	369	349
<b>No. of subscriptions - Change in quarter/Total</b>				
Mobile	(34)	(18)	2 685	2 746
Fixed Internet*	(9)	(14)	725	743
TV	(2)	(7)	539	562

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



## Sweden

Telenor Sweden delivered another quarter of strong growth, with total service revenues increasing by 5%. Mobile service revenues increased by 7%, whereas fixed service revenues remained stable. Mobile ARPU increased by 2% compared to the same quarter last year, mainly from upselling to larger subscriptions and price increases in the consumer segment.

Organic EBITDA increased by 2%, as the service revenue growth was partly offset by higher opex, mainly driven by sales and marketing activities.

The high capex in the fourth quarter was impacted by timing effects, mainly related to mobile network modernisation, including 5G rollout.

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

NOK in million	Fourth quarter		Year	
	2022	2021	2022	2021
<b>Revenues mobile operation</b>				
Mobile subscription and traffic	1 403	1 349	5 440	5 480
Other mobile services	68	70	240	233
<b>Total mobile service revenues</b>	<b>1 471</b>	<b>1 419</b>	<b>5 681</b>	<b>5 713</b>
Wholesale and other mobile	167	171	664	657
Non-mobile	551	622	2 197	2 106
<b>Total revenues mobile operation</b>	<b>2 189</b>	<b>2 211</b>	<b>8 542</b>	<b>8 476</b>
Telephony	24	29	99	125
Internet and TV	706	739	2 835	2 992
Other fixed services	62	53	175	158
<b>Total fixed service revenues</b>	<b>791</b>	<b>820</b>	<b>3 109</b>	<b>3 276</b>
Wholesale and broadcasting	9	87	60	355
<b>Total revenues fixed operation</b>	<b>800</b>	<b>908</b>	<b>3 170</b>	<b>3 631</b>
<b>Total service revenues</b>	<b>2 262</b>	<b>2 239</b>	<b>8 790</b>	<b>8 989</b>
<b>Total revenues</b>	<b>2 989</b>	<b>3 119</b>	<b>11 712</b>	<b>12 107</b>
Gross profit	1 880	1 952	7 373	7 786
Operating expenses	(890)	(870)	(3 339)	(3 352)
<b>EBITDA before other items</b>	<b>991</b>	<b>1 081</b>	<b>4 033</b>	<b>4 434</b>
<b>Operating profit</b>	<b>311</b>	<b>361</b>	<b>3 204</b>	<b>1 777</b>
EBITDA before other items/Total revenues (%)	33.1	34.7	34.4	36.6
Capex excl. Licences and Spectrum	941	615	2 015	1 504
<b>Statistics (monthly in NOK):</b>				
Mobile ARPU	171	173	169	176
Fixed Internet ARPU	223	230	223	233
TV ARPU	127	139	128	141
<b>No. of subscriptions - Change in quarter/Total (in thousands):</b>				
Mobile	8	25	2 926	2 818
Fixed Internet	(9)	-	684	698
TV*	2	(6)	486	470
Exchange rate (NOK/SEK, average for the period)	-	-	0.9506	1.0013

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

## Denmark

Telenor Denmark completed 2022 with growth in service revenues also in the fourth quarter.

Reported service revenues in local currency increased by 7%. Adjusted for a reclassification, the underlying service revenue growth was 3%, supported by growth in both mobile and fixed revenues. Mobile ARPU increased by 1% and fixed broadband ARPU by 6%. The mobile subscription base remained stable compared to last year, despite declining by 5 000 this quarter. Within fixed, the fibre subscriptions grew by 3 000 in the quarter, partly offsetting the decline within legacy products. The fixed internet base ended the year 2% above last year.

Opex decreased by 5%, primarily driven by lower personnel and project costs. EBITDA increased by 7%, as the service revenue growth and opex reduction more than offset higher energy prices and broadband lease costs.

Capex remained high in the quarter, primarily related to the ongoing 5G rollout.

NOK in million	Fourth quarter		Year	
	2022	2021	2022	2021
<b>Revenues mobile operation</b>				
Mobile subscription and traffic	761	717	2 924	2 903
Other mobile services	60	21	226	83
<b>Total mobile service revenues</b>	<b>821</b>	<b>737</b>	<b>3 150</b>	<b>2 985</b>
Wholesale and other mobile	154	192	594	608
Non-mobile	360	383	1 237	1 251
<b>Total revenues mobile operation</b>	<b>1 335</b>	<b>1 312</b>	<b>4 982</b>	<b>4 844</b>
Telephony	20	20	82	97
Internet and TV	119	104	446	405
<b>Total fixed service revenues</b>	<b>139</b>	<b>123</b>	<b>528</b>	<b>502</b>
<b>Total revenues fixed operation</b>	<b>139</b>	<b>124</b>	<b>529</b>	<b>502</b>
<b>Total service revenues</b>	<b>960</b>	<b>861</b>	<b>3 678</b>	<b>3 487</b>
<b>Total revenues</b>	<b>1 474</b>	<b>1 436</b>	<b>5 510</b>	<b>5 346</b>
Gross profit	806	777	3 092	3 131
Operating expenses	(458)	(467)	(1 696)	(1 717)
<b>EBITDA before other items</b>	<b>347</b>	<b>310</b>	<b>1 396</b>	<b>1 413</b>
<b>Operating profit</b>	<b>111</b>	<b>80</b>	<b>465</b>	<b>434</b>
EBITDA before other items/Total revenues (%)	23.5	21.6	25.3	26.4
Capex excl. Licences and Spectrum	277	303	767	683
<b>Statistics (monthly in NOK):</b>				
Mobile ARPU	168	160	162	159
Fixed Internet ARPU	309	279	292	277
<b>No. of subscriptions - Change in quarter/Total (in thousands):</b>				
Mobile	(5)	(41)	1 646	1 646
Fixed Internet	(2)	-	116	114
Exchange rate (NOK/DKK, average for the period)	-	-	1.3581	1.3661

## DNA - Finland

DNA in Finland delivered another quarter with solid revenue growth, while the network modernisation continued at high pace.

Total service revenues increased by 5%, supported by 2% higher mobile ARPU mainly from price increases and larger subscriber bases. During the quarter, the mobile subscription base increased by 4 000, and fixed broadband subscribers increased by 6 000.

Opex increased by 10%, mainly due to higher group charges, higher energy prices and increased sales and marketing costs. EBITDA decreased by 3%.

The network modernisation programme and 5G roll-out continued to be the main drivers for capex. At year end, the 5G network reached 80% population coverage.

NOK in million	Fourth quarter		Year	
	2022	2021	2022	2021
<b>Revenues mobile operation</b>				
Mobile subscription and traffic	1 421	1 286	5 390	5 207
Other mobile services	32	27	118	106
<b>Total mobile service revenues</b>	<b>1 452</b>	<b>1 313</b>	<b>5 507</b>	<b>5 313</b>
Wholesale and other mobile	116	125	441	473
Non-mobile	587	515	1 956	1 742
<b>Total revenues mobile operation</b>	<b>2 155</b>	<b>1 953</b>	<b>7 904</b>	<b>7 527</b>
Telephony	35	40	140	166
Internet and TV	431	404	1 646	1 596
Other fixed services	75	67	252	268
<b>Total fixed service revenues</b>	<b>541</b>	<b>511</b>	<b>2 038</b>	<b>2 030</b>
Wholesale and broadcasting	33	37	131	155
<b>Total revenues fixed operation</b>	<b>574</b>	<b>547</b>	<b>2 169</b>	<b>2 185</b>
<b>Total service revenues</b>	<b>1 994</b>	<b>1 824</b>	<b>7 546</b>	<b>7 342</b>
<b>Total revenues</b>	<b>2 730</b>	<b>2 500</b>	<b>10 074</b>	<b>9 712</b>
Gross profit	1 981	1 838	7 454	7 241
Operating expenses	(1 092)	(960)	(3 773)	(3 596)
<b>EBITDA before other items</b>	<b>888</b>	<b>878</b>	<b>3 681</b>	<b>3 645</b>
<b>Operating profit</b>	<b>221</b>	<b>226</b>	<b>1 064</b>	<b>993</b>
EBITDA before other items/Total revenues (%)	32.5	35.1	36.5	37.5
Capex excl. Licences and Spectrum	438	683	1 387	1 625
<b>Statistics (monthly in NOK):</b>				
Mobile ARPU	183	172	176	173
Fixed Internet ARPU	170	166	166	166
TV ARPU	94	80	86	76
<b>No. of subscriptions - Change in quarter/Total (in thousands):</b>				
Mobile	4	(8)	2 750	2 699
Fixed Internet	6	2	642	603
TV	(8)	(11)	229	262
Exchange rate (NOK/EUR, average for the period)	-	-	10.1034	10.1598

## dtac - Thailand

dtac's mobile subscription base increased by 106 000 this quarter. ARPU remained under pressure from intense competition, leading to 2% service revenues decline. Positive revenue contribution from prepaid following the return of tourists and migrant workers was more than offset by continued decline within postpaid.

Opex increased by 1%, primarily as a result of costs related to the planned merger of dtac and True, higher inflation, increase in energy costs, and bad debts, partially offset by continued strategic focus on cost efficiency and prioritization. Excluding costs related to the merger, opex decreased by 2%.

EBITDA increased by 3%, driven by improved handset margins and reduction of sales and marketing costs, offset by lower service revenues and increased opex. Excluding the cost related to the merger, EBITDA increased by 5%.

Capex in the quarter was mainly related to network roll-out and capacity expansion. At the end of the quarter, the 700 MHz roll-out includes 19 000 sites.

In November 2021, Telenor and CP Group agreed to explore the creation of a new company by merging dtac and True in Thailand. The merger is expected to be completed within the first quarter of 2023.

NOK in million	Fourth quarter		Year	
	2022	2021	2022	2021
<b>Revenues mobile operation</b>				
Mobile subscription and traffic	3 841	3 636	15 096	15 093
Other mobile services	31	38	120	109
<b>Total mobile service revenues</b>	<b>3 872</b>	<b>3 674</b>	<b>15 216</b>	<b>15 202</b>
Wholesale and other mobile	97	103	359	411
Non-mobile	1 772	1 888	6 532	6 265
<b>Total revenues mobile operation</b>	<b>5 742</b>	<b>5 665</b>	<b>22 107</b>	<b>21 878</b>
<b>Total service revenues</b>	<b>3 872</b>	<b>3 674</b>	<b>15 216</b>	<b>15 202</b>
<b>Total revenues</b>	<b>5 742</b>	<b>5 665</b>	<b>22 107</b>	<b>21 878</b>
Gross profit	3 361	3 077	12 990	12 997
Operating expenses	(1 342)	(1 248)	(4 809)	(4 930)
<b>EBITDA before other items</b>	<b>2 020</b>	<b>1 829</b>	<b>8 181</b>	<b>8 067</b>
<b>Operating profit</b>	<b>523</b>	<b>222</b>	<b>1 865</b>	<b>1 884</b>
EBITDA before other items/Total revenues (%)	35.2	32.3	37.0	36.9
Capex excl. Licences and Spectrum	617	1 009	3 168	3 852
<b>Statistics (monthly in NOK):</b>				
Mobile ARPU	62	64	63	67
<b>No. of subscriptions - Change in quarter/Total (in thousands):</b>				
Mobile	106	286	21 159	19 561
Exchange rate (NOK/THB, average for the period)	-	-	0.2742	0.2690

## Grameenphone - Bangladesh

Grameenphone achieved 4% growth in service revenues, driven by higher data usage, as well as price optimisation initiatives.

Excluding one-time effects, opex increased by 9%, primarily due to increased energy consumption and higher sales and marketing spend. EBITDA increased by 8%, or 2%, when adjusted for one-time effects, mainly related to inter-company charges for the years 2018 to 2022.

Capex continued to be focused on enhancing network quality and coverage, including accelerated 4G roll-out. NOK 1.9 billion spectrum capex was booked, mainly for the spectrum awarded earlier in the year and assigned in the fourth quarter.

The subscriber base declined by 2.7 million during the quarter mainly as a consequence of the ban on SIM card sales, which has restricted Grameenphone from subscriber acquisition activities. The ban was imposed at the end of June and lifted early January 2023. At the end of the quarter, the subscriber base stood at 79.1 million, which is 5% lower than the same period last year.

On 10 January 2023, a case relating to VAT on 2G license payments was decided against Grameenphone. Detailed judgement is still awaited. See note 7 for more details.

NOK in million	Fourth quarter		Year	
	2022	2021	2022	2021
<b>Revenues mobile operation</b>				
Mobile subscription and traffic	3 538	3 483	14 728	13 683
Other mobile services	6	6	24	27
<b>Total mobile service revenues</b>	<b>3 544</b>	<b>3 490</b>	<b>14 752</b>	<b>13 710</b>
Wholesale and other mobile	132	137	540	541
Non-mobile	49	63	216	213
<b>Total revenues mobile operation</b>	<b>3 724</b>	<b>3 689</b>	<b>15 508</b>	<b>14 464</b>
<b>Total service revenues</b>	<b>3 544</b>	<b>3 490</b>	<b>14 752</b>	<b>13 710</b>
<b>Total revenues</b>	<b>3 724</b>	<b>3 689</b>	<b>15 508</b>	<b>14 464</b>
Gross profit	3 528	3 433	14 468	13 496
Operating expenses	(1 085)	(1 133)	(4 783)	(4 444)
<b>EBITDA before other items</b>	<b>2 443</b>	<b>2 301</b>	<b>9 685</b>	<b>9 052</b>
<b>Operating profit</b>	<b>1 528</b>	<b>1 586</b>	<b>6 571</b>	<b>6 403</b>
EBITDA before other items/Total revenues (%)	65.6	62.4	62.5	62.6
Capex excl. Licences and Spectrum	499	663	1 788	1 745
<b>Statistics (monthly in NOK):</b>				
Mobile ARPU	15	14	15	14
<b>No. of subscriptions - Change in quarter/Total (in thousands):</b>				
Mobile	(2 667)	(318)	79 125	83 263
Exchange rate (NOK/BDT, average for the period)	-	-	0.1031	0.1011

## Pakistan

Telenor Pakistan's performance was affected by high inflation and slow recovery from the unprecedented flooding in the third quarter.

The subscriber base declined by 793 000 in the quarter. At the end of the quarter, the subscribers base stood at 48 million, which is 2% lower than the same period last year. Service revenues decreased by 5%.

Opex increased by 28%, mainly due to higher energy prices and costs related to mitigating network damages caused by the flooding. EBITDA declined by 17%.

NOK in million	Fourth quarter		Year	
	2022	2021	2022	2021
<b>Revenues mobile operation</b>				
Mobile subscription and traffic	967	1 105	4 245	4 621
Other mobile services	6	6	22	26
<b>Total mobile service revenues</b>	<b>973</b>	<b>1 111</b>	<b>4 267</b>	<b>4 647</b>
Wholesale and other mobile	238	181	736	772
Non-mobile	46	42	185	186
<b>Total revenues mobile operation</b>	<b>1 258</b>	<b>1 334</b>	<b>5 188</b>	<b>5 604</b>
<b>Total service revenues</b>	<b>973</b>	<b>1 111</b>	<b>4 267</b>	<b>4 647</b>
<b>Total revenues</b>	<b>1 258</b>	<b>1 334</b>	<b>5 188</b>	<b>5 604</b>
Gross profit	1 098	1 165	5 048	4 890
Operating expenses	(578)	(487)	(2 156)	(1 915)
<b>EBITDA before other items</b>	<b>520</b>	<b>677</b>	<b>2 891</b>	<b>2 976</b>
<b>Operating profit</b>	<b>200</b>	<b>254</b>	<b>(1 028)</b>	<b>1 216</b>
EBITDA before other items/Total revenues (%)	41.3	50.8	55.7	53.1
Capex excl. Licences and Spectrum	100	88	585	718
<b>Statistics (monthly in NOK):</b>				
Mobile ARPU	8	9	8	9
<b>No. of subscriptions - Change in quarter/Total (in thousands):</b>				
Mobile	(793)	241	47 999	49 125
Exchange rate (NOK/PKR, average for the period)	-	-	0.0472	0.0528

## Other units

The Other units segment includes the Norwegian tower business Telenor Infra, the Telenor Amp's portfolio of adjacent businesses such as Satellite, Connexion and Maritime, and also other smaller entities and corporate functions.

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

Telenor Infra increased its revenues by 48%, or NOK 0.2 billion, mainly due to higher colocation lease revenues and increased energy prices which are passed on to tenants. EBITDA increased by 114%, or NOK 0.2 billion, as a result of the higher colocation lease revenues and timing effects related to energy costs. Telenor Infra operates around 11 000 mobile sites with a tenancy ratio of 1.6 and 4 000 other sites.

Telenor Maritime, which provides communication services to the maritime sector, increased its revenues by 74% following notable improvements in the ferry and cruise segments, with ferry revenues now trending above pre-pandemic levels.

Telenor Connexion, a global provider of IoT services, grew their revenues by 20%, driven by an increased SIM base, higher traffic levels as well as positive currency effects. As a result of the higher revenues, EBITDA grew by 75%, or NOK 28 million.

NOK in million	Fourth quarter		Year	
	2022	2021	2022	2021
<b>Revenues</b>				
Infra	701	474	2 680	1 804
Satellite	233	220	916	861
Connexion	224	192	835	759
Maritime	173	99	545	287
Other Businesses	711	513	2 571	2 238
Corporate Functions	453	462	1 703	1 739
Eliminations	(47)	(49)	(188)	(173)
<b>Total revenues</b>	<b>2 446</b>	<b>1 911</b>	<b>9 061</b>	<b>7 518</b>
<b>Operating expenses</b>	<b>(1 064)</b>	<b>(1 151)</b>	<b>(3 987)</b>	<b>(3 817)</b>
<b>EBITDA before other items</b>				
Infra	327	153	1 339	816
Satellite	160	151	642	609
Connexion	67	39	253	228
Maritime	46	(3)	100	(10)
Other Businesses	160	49	649	320
Corporate Functions	(125)	(201)	(527)	(444)
Eliminations	(11)	(11)	(46)	(11)
<b>Total EBITDA before other items</b>	<b>624</b>	<b>177</b>	<b>2 409</b>	<b>1 508</b>
<b>Operating profit (loss)</b>				
Infra	137	(19)	620	133
Satellite	98	73	355	327
Connexion	59	34	228	205
Maritime	27	(25)	19	(94)
Other Businesses	110	64	555	201
Corporate Functions	(266)	(274)	(770)	(710)
Eliminations	-	30	-	30
<b>Total operating profit (loss)</b>	<b>166</b>	<b>(118)</b>	<b>1 007</b>	<b>92</b>
Capex excl. Licences and Spectrum	449	228	1 142	635
Investments in businesses	791	190	900	392

## Group performance in 2022

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

### Specification of other income and other expenses

NOK in million	Fourth quarter		Year	
	2022	2021	2022	2021
<b>EBITDA before other income and other expenses</b>	<b>10 146</b>	<b>10 148</b>	<b>42 374</b>	<b>42 656</b>
Other income	3	(15)	50	28
Gains on disposals of property, plant and equipment (PPE) and operations	23	71	1 954	144
<b>Total other income</b>	<b>26</b>	<b>56</b>	<b>2 004</b>	<b>172</b>
Losses on disposals of property, plant and equipment (PPE) and operations	(115)	(245)	(462)	(464)
Workforce reductions, onerous (loss) contracts and other	(249)	(1 016)	(800)	(1 462)
<b>Total other expenses</b>	<b>(364)</b>	<b>(1 261)</b>	<b>(1 261)</b>	<b>(1 926)</b>
<b>EBITDA</b>	<b>9 809</b>	<b>8 943</b>	<b>43 117</b>	<b>40 902</b>

Total other expenses this quarter consisted mainly of workforce reductions (of which NOK 100 million in Corporate Functions and NOK 61 million in Grameenphone). In the fourth quarter last year, other expenses related mainly to a fine from the Norwegian Competition Authority (NOK 788 million), losses on termination of leases in dtac (NOK 122 million), and workforce reductions (of which NOK 129 million in Grameenphone and NOK 67 million in Telenor Norway).

For the 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) and NOK 150 million damaged fixed assets in a fire in dtac. Last year, total other expenses consisted mainly of the above-mentioned expenses in the fourth quarter and workforce reductions (of which NOK 338 million in Grameenphone and NOK 168 million in Telenor Norway).

### Impairment Telenor Pakistan

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

### Operating profit

In 2022, the reported operating profit decreased by NOK 0.3 billion to NOK 17.3 billion, primarily due to Telenor Pakistan's impairment of NOK 2.5 billion in the second quarter, partly offset by the improved EBITDA of NOK 2.2 billion.

### Associated Companies and Joint Ventures

NOK in million	Fourth quarter		Year	
	2022	2021	2022	2021
Profit (loss) after taxes	(12)	(173)	(232)	(480)
Gains (losses) on disposal of ownership interests	(25)	-	(71)	21
<b>Profit (loss) from associated companies and joint ventures</b>	<b>(37)</b>	<b>(173)</b>	<b>(303)</b>	<b>(459)</b>

Net loss after tax from associated companies and joint ventures during 2022 was NOK 232 million which mainly consisted of loss after tax in Telenor Microfinance Bank of NOK 189 million and in Carousell of NOK 217 million. This was partly offset by profit after tax in Allente Group AB (Allente) of NOK 235 million. 2021 mainly includes loss after tax from Carousell of NOK 158 million and Telenor Microfinance Bank of NOK 287 million.

In the fourth quarter of 2022, Allente generated revenues of NOK 1.7 billion, almost equal to the fourth quarter of previous year. EBITDA amounted to NOK 0.3 billion, which was positive as compared to the same quarter last year mainly due to lower restructuring cost for dish turning project in 2022. Telenor received dividends of NOK 0.2 billion in the fourth quarter of 2022.

In the year 2022, Allente generated revenues and EBITDA of NOK 6.5 billion and NOK 1.2 billion, respectively, compared to NOK 6.8 billion and NOK 0.6 billion, respectively, in the year 2021. The decrease in revenues was mainly driven by negative currency effects and lower DTH customer base, as expected, while the customer base continues to increase within IPTV, OTT and fixed wireless access. The increase in EBITDA in 2022 was mainly due to lower restructuring costs. During 2022, Telenor received dividends of NOK 0.3 billion as compared to NOK 0.5 billion in 2021.

On 7 December 2022, Telenor completed the sale of Digital Money Myanmar Limited (Wave Money) to Yoma MFS Holdings Pte. Ltd., for a cash consideration of NOK 0.4 billion.

### Financial items

NOK in million	Fourth quarter		Year	
	2022	2021	2022	2021
Financial income	(13)	121	452	417
Financial expenses	(1 571)	(742)	(3 772)	(2 983)
Net currency gains (losses)	1 182	(230)	(3 384)	(1 070)
Net change in fair value of financial instruments	(193)	57	392	157
Net gains (losses and impairment) of financial assets and liabilities	1	2	1	7
<b>Net financial income (expenses)</b>	<b>(593)</b>	<b>(793)</b>	<b>(6 312)</b>	<b>(3 472)</b>
Gross interest expenses related to interest-bearing liabilities and lease	(756)	(627)	(2 640)	(2 485)
Net interest expenses	(808)	(546)	(2 350)	(2 206)

Net financial items in the fourth quarter improved by NOK 0.2 billion compared to the same quarter last year. The improvement was driven by net currency gains from several currencies, which was partly offset by increased financial expenses. Increase in financial expenses was mainly due to increased interest cost in the Group and a provision for regulatory disputes in Bangladesh. Change in fair value of financial instruments also had an impact in the quarter, and was mainly related to losses from interest rate instruments in USD. Note that there has been a reclassification of NOK 150 million between interest income and interest expense in 2022, the reclassification was done in the fourth quarter of 2022.

For the full year, net financial items worsened by NOK 2.8 billion compared to same period last year. This was driven by net currency losses, increased other financial expenses and increased interest cost, partly offset by change in fair value of financial instruments. The increase in net currency losses were mostly related to loans in USD and intercompany loans in SGD. The change in fair value of financial instruments was mainly related to gains from interest rate instruments in USD.

### Discontinued operations

On 30 November 2022, the merger of the telecommunication operations of Celcom and Digi in Malaysia was completed. The name of the new company is CelcomDigi. On completion, Digi issued 3.96 billion shares to Celcom's owner Axiata in addition to making cash payments of NOK 5.4 billion. The cash payment was funded through external borrowings. Telenor acquired at the same time 73.4 million shares from Axiata for an amount of NOK 667 million. Telenor's ownership in CelcomDigi after the transaction is 33.1%. CelcomDigi will be accounted for as an associate using the equity method going forward. The cost price of the shares in CelcomDigi of NOK 34.1 billion is based on the market value of the merged company on its first day of trading, 1 December 2022.

The loss of control of Digi is accounted for as a sale of a subsidiary with a gain of NOK 32.9 billion, where historical figures in the income statement has been re-presented as discontinued operations. The gain is determined based on a market value of the merged company of NOK 34.1 billion less book values of Digi in the consolidated accounts. As the fourth-quarter results of the listed company CelcomDigi had not been published at the time of this report, the gain calculation does not include Digi's results for October and November 2022. An updated gain calculation will be provided in the annual report 2022. For the same reason, Telenor will going forward include the share of profits from CelcomDigi with a one-quarter lag. This means that the fourth quarter results consisting of December 2022 will be included in the Q1 2023 report of Telenor. For further information, see note 4.

### Taxes

The effective tax rate for the fourth quarter was negative, as it was highly impacted by the realisation of tax losses of NOK 14.3 billion related to an internal legal restructuring in Asia. This resulted in a tax income of NOK 3.2 billion. The effective tax rate for the full year was also negative. In addition to the above, the taxes for the year have been impacted by the reversal of NOK 2.5 billion tax expense for the India guarantee for Unitech Wireless after a favorable court decision (see note 8), non-taxable gain from a sales transaction in Telenor Sweden, and the reversal of NOK 0.3 billion tax provision after a favorable decision by the Tax Appeal Board in Norway related to losses on loans and guarantees. The effective tax rate for the year 2023 is estimated to be around 30%.

### Cash flow

Net cash inflow from operating activities during the year 2022 was NOK 39.2 billion, a decrease of NOK 3.1 billion compared to 2021 mainly explained by negative effects from changes in working capital and sale of Myanmar.

Net cash outflow to investing activities during the year 2022 was NOK 23.1 billion, an increase of NOK 5.9 billion compared to 2021. Proceeds from disposal of business included negative effects of NOK 6.4 billion related to loss of control in Digi (out of which NOK 5.4 billion related to payments made to Celcom's owner Axiata) and NOK 1.4 billion related to sale of Telenor Myanmar, partly offset by the net proceeds from the disposal of fixed non-core assets in Sweden of NOK 2.9 billion and net proceeds from sale of Wave Money in Myanmar of NOK 0.4 billion. Proceeds from sale of other investments included deferred consideration for the sale of CEE of NOK 1.0 billion in 2022 and NOK 2.0 billion in 2021. Payments of PPE, intangible and prepayments of right-of-use assets during the year 2022 were NOK 0.1 billion lower compared to last year.

Net cash outflow to financing activities during the year 2022 was NOK 24.0 billion. This is explained by repayments of lease obligations of NOK 5.6 billion, repayments of licence obligations of NOK 2.5 billion and dividends paid of NOK 15.8 billion (NOK 13.0 billion paid to Telenor ASA shareholders and NOK 2.8 billion to non-controlling interests). Proceeds from and repayments of borrowings includes loan drawn in Digi in the fourth quarter of NOK 5.4 billion to make payments to Celcom's owner Axiata.

Cash and cash equivalents decreased by NOK 7.3 billion during the year to NOK 9.7 billion as of 31st December 2022.

### Financial position

During 2022, total assets increased by NOK 13.5 billion to NOK 239.2 billion. The increase was primarily caused by the deconsolidation of Digi and recognition as an associate, and positive currency translation effects of approximately NOK 4.4 billion.

During 2022, net debt decreased by NOK 2.9 billion to NOK 97.9 billion driven primarily by positive free cashflow adjusted for sale of Telenor Myanmar of NOK 12.0 billion and deconsolidation of Digi of NOK 7.1 billion, partly offset by dividends to equity holders of Telenor



ASA of NOK 13.0 billion and negative currency translation effects of approximately NOK 5.0 billion. Interest-bearing liabilities excluding licence obligations decreased by NOK 9.3 billion. Cash and cash equivalents decreased by NOK 5.3 billion.

During 2022, total equity increased by NOK 32.9 billion to NOK 64.4 billion. The increase was due to positive net income from total operations of NOK 47.4 billion, impacted by impairment of Telenor Pakistan and includes the gain of NOK 32.9 billion on deconsolidation of Digi, positive currency translation effects of NOK 0.7 billion and pension remeasurement gain (net of tax) of NOK 0.5 billion. The reclassification of previously recognised translation differences concerning Telenor Myanmar and Digi from other comprehensive income to income statement was negative NOK 0.8 billion and positive NOK 0.5 billion, respectively, which has no effect on total equity. The increase was partly offset by dividends to equity holders of Telenor ASA and non-controlling interests of NOK 16.2 billion.

#### Transactions with related parties

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

#### Risks and uncertainties

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

Telenor operates in markets that are subject to geopolitical risks with potential negative impacts. The war in Ukraine and the resulting sanctions on Russia and Belarus increase the likelihood of cyber-attacks on western countries and sabotage of critical infrastructure, where Telenor may be subject to both direct cyber-attacks and collateral damage. Critical infrastructure outside Telenor has been targeted (Nordstream 1 and 2), resulting in a heightened threat level. Although Telenor has not observed any direct severe cyber or physical attacks, management is following the highly volatile situation by continuous monitoring the threat landscape driving risk mitigation and response strategies.

The war in Ukraine has also generated a sharp increase in energy prices following the shortage of supply, and there is increased risk of supply chain disruption due to escalating trade tension and sanctions. The higher inflation and economic slowdown caused by the war is increasing the risk of a potential global recession in 2023. These risks require continuous monitoring and are being closely followed up at both local and Group level.

Currency fluctuations may also influence the reported figures in Norwegian Kroner significantly, see also page 2. Telenor ASA seeks to allocate debt based on equity market values in local currencies, predominantly EUR, USD, and SEK. Foreign currency debt in Telenor ASA that exceeds the recorded equity of investments in the same currency will not be part of an effective net investment hedge relationship. Currency fluctuations related to this part of the debt will be recorded in the income statement. Currency fluctuations on internal loans might also significantly impact the income statement. Telenor has both fixed and floating rate debt, and changes in interest rates will impact the income statement.

The Group is exposed to climate-related physical risks such as potential damage to vital infrastructure and utilities from the impact of more extreme weather events and rising sea levels. Climate-related regulatory risks for the Group include potentially higher operational costs due to increasing carbon taxes and energy/fuel taxes, as well as risks of higher capital expenditures due to a required transition towards the use of renewable energy solutions and energy efficient networks. Climate-related risks may affect future cash flow projections applied to determine the recoverable amount of cash-generating units for the purpose of impairment testing, as well as estimates of useful life and residual value of assets.

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

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

#### Disclaimer

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

Fornebu, 1 February 2023  
The Board of Directors of Telenor ASA

## Interim condensed financial information

### Consolidated income statement

#### Telenor Group

NOK in million	Note	Fourth quarter		Year	
		2022	2021	2022	2021
Revenues	3	25 402	24 865	98 953	97 153
Total cost of materials and traffic charges		(7 091)	(7 209)	(26 404)	(25 591)
Salaries and personnel costs		(2 615)	(2 544)	(9 998)	(10 014)
Other operating expenses		(5 549)	(4 965)	(20 178)	(18 891)
Other income		26	56	2 004	172
Other expenses		(364)	(1 261)	(1 261)	(1 926)
<b>EBITDA</b>		<b>9 809</b>	<b>8 943</b>	<b>43 117</b>	<b>40 902</b>
Depreciation and amortisation		(5 874)	(5 806)	(23 269)	(23 247)
Impairment losses	2	(22)	1	(2 502)	-
<b>Operating profit (loss)</b>		<b>3 913</b>	<b>3 137</b>	<b>17 346</b>	<b>17 654</b>
Share of net income from associated companies and joint ventures		(37)	(173)	(303)	(459)
Net financial items		(593)	(793)	(6 312)	(3 472)
<b>Profit (loss) before taxes</b>		<b>3 283</b>	<b>2 171</b>	<b>10 732</b>	<b>13 723</b>
Income taxes		1 694	(1 028)	2 914	(5 008)
<b>Profit (loss) from continuing operations</b>		<b>4 978</b>	<b>1 143</b>	<b>13 646</b>	<b>8 714</b>
Profit (loss) from discontinued operations	4	33 148	145	33 716	(4 123)
<b>Net income</b>		<b>38 126</b>	<b>1 289</b>	<b>47 362</b>	<b>4 592</b>
Net income attributable to:					
Non-controlling interests		220	702	2 449	3 063
Equity holders of Telenor ASA		37 906	587	44 913	1 528
Earnings per share in NOK					
Basic/diluted from continuing operations		3.40	0.32	8.00	4.04
Basic/diluted from discontinued operations		23.69	0.10	24.09	(2.95)
Basic/diluted from total operations		27.09	0.42	32.09	1.09

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	
	2022	2021	2022	2021
<b>Net income</b>	<b>38 126</b>	<b>1 289</b>	<b>47 362</b>	<b>4 592</b>
Translation differences on net investment in foreign operations	(2 084)	(661)	1 806	(3 514)
Amount reclassified from other comprehensive income to income statement on partial disposal	(419)	-	370	-
Net gain (loss) on hedge of net investment	777	638	(1 402)	2 447
Income taxes	(171)	(140)	308	(538)
Amount reclassified from other comprehensive income to income statement	233	-	233	-
Share of other comprehensive income (loss) of associated companies and joint ventures	18	23	46	75
Amount reclassified from other comprehensive income to income statement on disposal	-	-	-	1
<b>Items that may be reclassified subsequently to income statement</b>	<b>(1 646)</b>	<b>(140)</b>	<b>1 361</b>	<b>(1 529)</b>
Net gain (loss) on equity investments	(49)	75	157	134
Remeasurement of defined benefit pension plans	(1 345)	(469)	661	266
Income taxes	303	105	(138)	(57)
<b>Items that will not be reclassified to income statement</b>	<b>(1 091)</b>	<b>(289)</b>	<b>680</b>	<b>344</b>
<b>Other comprehensive income (loss), net of taxes</b>	<b>(2 737)</b>	<b>(429)</b>	<b>2 041</b>	<b>(1 186)</b>
<b>Total Comprehensive Income</b>	<b>35 389</b>	<b>860</b>	<b>49 403</b>	<b>3 406</b>
<b>Total comprehensive income attributable to:</b>				
Non-controlling interests	(53)	750	2 563	2 909
Equity holders of Telenor ASA	35 441	110	46 840	498

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

## Consolidated statement of financial position

### Telenor Group

NOK in million	Note	31 December 2022	31 December 2021
Deferred tax assets		5 536	2 195
Goodwill		27 334	27 448
Intangible assets		9 689	10 195
Right-of-use assets		45 686	51 565
Property, plant and equipment		65 659	72 767
Associated companies and joint ventures		39 686	5 683
Other non-current assets		13 476	12 046
<b>Total non-current assets</b>		<b>207 067</b>	<b>181 898</b>
Prepaid taxes		1 491	1 568
Inventories		1 559	1 563
Trade and other receivables		18 842	21 739
Other current financial assets		361	839
Assets classified as held for sale	4	-	2 910
Cash and cash equivalents		9 929	15 223
<b>Total current assets</b>		<b>32 182</b>	<b>43 843</b>
<b>Total assets</b>		<b>239 249</b>	<b>225 740</b>
Equity attributable to equity holders of Telenor ASA		60 139	26 294
Non-controlling interests		4 237	5 206
<b>Total equity</b>		<b>64 375</b>	<b>31 500</b>
Non-current lease liabilities		24 417	28 101
Non-current interest-bearing liabilities	5	83 297	87 811
Non-current non-interest-bearing liabilities		1 772	1 388
Deferred tax liabilities		3 639	4 374
Pension obligations		1 919	2 429
Provisions and obligations		6 627	7 971
<b>Total non-current liabilities</b>		<b>121 670</b>	<b>132 073</b>
Current lease liabilities		6 674	6 977
Current interest-bearing liabilities	5	8 596	9 276
Trade and other payables		28 207	32 315
Current tax payables		2 487	5 149
Current non-interest-bearing liabilities		1 714	1 974
Provisions and obligations		791	896
Liabilities classified as held for sale	4	4 735	5 580
<b>Total current liabilities</b>		<b>53 203</b>	<b>62 167</b>
<b>Total equity and liabilities</b>		<b>239 249</b>	<b>225 740</b>

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	
	2022	2021	2022	2021
Profit before taxes from total operations <sup>1)</sup>	36 427	2 468	45 355	10 385
Income taxes paid	(1 993)	(1 370)	(5 977)	(6 113)
Net (gains) losses from disposals, impairments and change in fair value of financial assets and liabilities	(32 656)	210	(34 031)	272
Depreciation, amortisation and impairment losses	6 361	7 441	28 217	34 363
Loss (profit) from associated companies and joint ventures	37	173	303	459
Dividends received from associated companies	476	126	575	532
Currency (gains) losses not related to operating activities	(1 158)	146	3 737	1 160
Changes in working capital and other	1 869	(673)	1 044	1 215
<b>Net cash flow from operating activities</b>	<b>9 365</b>	<b>8 522</b>	<b>39 222</b>	<b>42 272</b>

Purchases of property, plant and equipment, intangible assets and prepayment for right-of-use assets	(4 714)	(4 936)	(19 298)	(19 447)
Purchases of subsidiaries, associated companies and joint ventures, net of cash acquired	(798)	(186)	(991)	(391)
Proceeds from disposal of PPE, intangible assets, associated companies and businesses, net of cash disposed	(6 145)	30	(4 463)	178
Proceeds from sale and purchases of other investments	144	102	1 607	2 432
<b>Net cash flow from investing activities</b>	<b>(11 512)</b>	<b>(4 990)</b>	<b>(23 145)</b>	<b>(17 228)</b>

Proceeds from and repayments of borrowings	4 385	(321)	(88)	(2 930)
Payments of lease liabilities related to spectrum licences	(909)	(2 106)	(2 483)	(2 871)
Payments of lease liabilities related to other lease contracts	(1 500)	(1 739)	(5 589)	(5 955)
Net payments of supply chain financing	122	167	21	(1)
Purchase of treasury shares	-	-	(27)	-
Dividends paid to and purchases of shares from non-controlling interests	-	(326)	(2 803)	(3 551)
Dividends paid to equity holders of Telenor ASA	(6 018)	(5 598)	(13 015)	(12 595)
<b>Net cash flow from financing activities</b>	<b>(3 920)</b>	<b>(9 923)</b>	<b>(23 984)</b>	<b>(27 903)</b>

Effects of exchange rate changes on cash and cash equivalents	(253)	208	600	(245)
<b>Net change in cash and cash equivalents</b>	<b>(6 319)</b>	<b>(6 183)</b>	<b>(7 306)</b>	<b>(3 103)</b>
Cash and cash equivalents at the beginning of the period	15 998	23 168	16 985	20 088
<b>Cash and cash equivalents at the end of the period<sup>2)</sup></b>	<b>9 677</b>	<b>16 985</b>	<b>9 677</b>	<b>16 985</b>
Of which cash and cash equivalents in assets held for sale at the end of the period	-	1 863	-	1 863
<b>Cash and cash equivalents in continuing operations at the end of the period</b>	<b>9 677</b>	<b>15 121</b>	<b>9 677</b>	<b>15 121</b>

<sup>1)</sup> Profit before taxes from total operations consists of:

Profit before taxes from continuing operations	3 283	2 171	10 732	13 723
Profit before taxes from discontinued operations	33 144	297	34 623	(3 338)
Profit before taxes from total operations	36 427	2 468	45 355	10 385

<sup>2)</sup> As of 31st December 2022, restricted cash was NOK 10.0 million, while as of 31st December 2021, restricted cash was NOK 9.9 million.

### Cash flow from discontinued operations

NOK in million	Fourth quarter		Year	
	2022	2021	2022	2021
Net cash flow from operating activities	-	1 444	4 711	8 130
Net cash flow from investing activities	-	(423)	(2 597)	(1 721)
Net cash flow from financing activities	-	(1 093)	(2 217)	(3 893)
<b>Total cash flows from discontinued operations</b>	<b>-</b>	<b>(958)</b>	<b>(104)</b>	<b>2 516</b>
Effects of exchange rate changes on cash and cash equivalents	-	78	131	(207)
<b>Net cash flows from discontinued operations</b>	<b>-</b>	<b>(962)</b>	<b>27</b>	<b>2 309</b>

Cash flows from discontinued operation for 2022 includes cash flows from Digi for the period January to September. For more details refer to discontinued operations note.

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

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

## Consolidated statement of changes in equity

### Telenor Group

NOK in million	Attributable to equity holders of the parent						Non-controlling interests	Total equity
	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences	Total			
<b>Equity as of 1 January 2021</b>	<b>8 466</b>	<b>(22 014)</b>	<b>55 049</b>	<b>(3 181)</b>	<b>38 324</b>	<b>5 594</b>	<b>43 918</b>	
Net income for the period	-	-	1 528	-	1 528	3 063	4 592	
Other comprehensive income for the period	-	415	-	(1 446)	(1 031)	(155)	(1 186)	
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>415</b>	<b>1 528</b>	<b>(1 446)</b>	<b>498</b>	<b>2 909</b>	<b>3 406</b>	
Transactions with non-controlling interests	-	-	(1)	-	(1)	(1)	(2)	
Equity adjustments in associated companies	-	3	-	-	3	-	3	
Dividends	-	-	(12 595)	-	(12 595)	(3 296)	(15 891)	
Share - based payment, exercise of share options and distribution of shares	-	66	-	-	66	-	66	
<b>Equity as of 31 December 2021</b>	<b>8 466</b>	<b>(21 530)</b>	<b>43 981</b>	<b>(4 627)</b>	<b>26 294</b>	<b>5 206</b>	<b>31 500</b>	
Net income for the period	-	-	44 913	-	44 913	2 449	47 362	
Other comprehensive income for the period	-	723	-	1 204	1 927	114	2 041	
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>723</b>	<b>44 913</b>	<b>1 204</b>	<b>46 840</b>	<b>2 563</b>	<b>49 403</b>	
Transactions with non-controlling interests	-	-	(42)	-	(42)	(373)	(415)	
Dividends	-	-	(13 015)	-	(13 015)	(3 159)	(16 174)	
Share - based payment, exercise of share options and distribution of shares	-	61	-	-	61	-	61	
<b>Equity as of 31 December 2022</b>	<b>8 466</b>	<b>(20 746)</b>	<b>75 837</b>	<b>(3 422)</b>	<b>60 138</b>	<b>4 237</b>	<b>64 375</b>	

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

# Notes to the interim consolidated financial statement

## Note 1 – General accounting principles

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

These interim condensed consolidated financial statements for the year ended 31 December 2022, have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for 2021 (Annual Report 2021). Key developments in risks and uncertainties are described in the section Risks and uncertainties on page 15 of this report.

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

## Note 2 – Impairment Assessment

At year-end 2022, Telenor has performed impairment testing of all cash generating units (CGUs) that include goodwill in addition to CGUs without goodwill where impairment indicators have been identified. The impairment testing did not result in any impairment.

In second quarter 2022, Telenor recognised an impairment of assets of NOK 2.5 billion related to Telenor Pakistan as a result of several negative developments. A significant increase in interest rates, country risk premium and market premiums impacted the Weighted Average Cost of Capital. A hike in energy prices and increased global inflation made the outlook for Telenor Pakistan challenging. Further, one of the key assumptions in the assessment at year end 2021 was the outcome of the Supreme Court's hearing related to the renewal fee for the 900 MHz and 1800 MHz spectrum license. On 25 May 2022, the Supreme Court concluded the fee to remain at the level set by the Pakistani Telecommunication Authority, see note 7. In June 2022 Telenor completed an assessment of value in use based on discounted cash flows of Telenor Pakistan with updated earnings projections. As a consequence an impairment of NOK 2.5 billion was recognised in the second quarter 2022 related to property, plant and equipment, right-of-use assets and intangible assets in the Telenor Pakistan segment. Recoverable amount of the assets was estimated to be NOK 5.8 billion as of 30 June 2022. The impairment assessment, with several scenarios, was updated as of year-end 2022 and no further impairment was recognised. Telenor Pakistan is still sensitive for impairment.

The impairment per class of asset was as follows:

NOK in million	Second quarter 2022
Property, plant and equipment	1 508
Right-of-use assets	963
Intangible assets	29
<b>Total impairments</b>	<b>2 500</b>

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

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

<sup>1</sup> Represents the compound annual growth rate during the period

<sup>2</sup> Represents annual growth during the period

### Key assumptions:

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

### Note 3 – Disaggregation of revenue

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

#### Fourth quarter 2022

NOK in millions	Norway	Sweden	Denmark	DNA Finland	dtac Thailand	Grameenphone Bangladesh	Pakistan	Other units	Eliminations	Group
Type of good/ services										
Mobile operation	4 113	2 134	1 326	2 110	4 830	3 679	1 222	-	(329)	19 085
Services	3 509	1 704	975	1 589	4 113	3 676	1 220	-	(329)	16 458
Goods	605	429	352	521	717	2	2	-	-	2 627
Fixed operation	2 174	762	139	574	-	-	-	609	(168)	4 090
Services	2 038	760	139	574	-	-	-	609	(156)	3 965
Goods	136	2	-	-	-	-	-	-	(13)	125
Other	149	-	-	-	-	-	-	1 116	(409)	856
Services	149	-	-	-	-	-	-	1 116	(409)	856
Goods	-	-	-	-	-	-	-	-	-	-
Sum type of goods/services	6 437	2 895	1 465	2 685	4 830	3 679	1 222	1 725	(907)	24 031
Type of mobile subscription										
Contract	2 910	1 454	832	1 446	2 555	191	110	-	(51)	9 446
Prepaid	22	46	-	62	1 364	3 477	1 093	-	(153)	5 912
Other <sup>1)</sup>	577	205	142	82	194	8	17	-	(126)	1 099
Sum services in Mobile operation	3 509	1 704	975	1 589	4 113	3 676	1 220	-	(329)	16 458
Timing of revenue recognition										
Over time	5 696	2 465	1 114	2 164	4 113	3 676	1 220	1 724	(894)	21 278
At a point in time	741	431	352	521	717	2	2	-	(13)	2 752
Total revenue from contract with customers	6 437	2 895	1 465	2 685	4 830	3 679	1 222	1 725	(907)	24 031
Other revenue <sup>2)</sup>	82	94	9	46	912	46	36	721	(574)	1 371
Total revenue	6 519	2 989	1 474	2 730	5 742	3 724	1 258	2 446	(1 481)	25 402
Segment revenue as presented in note 9	6 519	2 989	1 474	2 730	5 742	3 724	1 258	2 446	(1 481)	25 402

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

<sup>2)</sup> Other revenues include mainly lease revenue.



## Year 2022

NOK in millions	Norway	Sweden	Denmark	DNA Finland	dtac Thailand	Grameenphone Bangladesh	Pakistan	Other units	Eliminations	Group
Type of good/ services										
Mobile operation	15 955	8 341	4 952	7 761	18 559	15 323	5 047	-	(1 062)	74 875
Services	13 832	6 619	3 744	6 025	16 094	15 301	5 037	-	(1 059)	65 593
Goods	2 123	1 722	1 208	1 735	2 464	22	10	-	(2)	9 282
Fixed operation	8 529	3 126	529	2 169	-	-	-	2 170	(642)	15 880
Services	8 180	3 119	529	2 169	-	-	-	2 170	(587)	15 578
Goods	349	7	-	-	-	-	-	-	(54)	302
Other	587	-	-	-	-	-	-	4 117	(1 699)	3 005
Services	587	-	-	-	-	-	-	4 109	(1 699)	2 997
Goods	-	-	-	-	-	-	-	8	-	8
Sum type of goods/services	25 071	11 468	5 480	9 930	18 559	15 323	5 047	6 287	(3 403)	93 760
Type of mobile subscription										
Contract	11 697	5 637	3 212	5 498	10 174	708	244	-	(123)	37 047
Prepaid	104	193	-	229	5 230	14 553	4 729	-	(449)	24 589
Other <sup>1)</sup>	2 032	789	532	298	691	39	64	-	(488)	3 956
Sum services in Mobile operation	13 832	6 619	3 744	6 025	16 094	15 301	5 037	-	(1 059)	65 593
Timing of revenue recognition										
Over time	22 599	9 738	4 273	8 194	16 094	15 301	5 037	6 278	(3 346)	84 168
At a point in time	2 472	1 730	1 208	1 735	2 464	22	10	8	(57)	9 592
Total revenue from contract with customers	25 071	11 468	5 480	9 930	18 559	15 323	5 047	6 287	(3 403)	93 760
Other revenue <sup>2)</sup>	329	244	30	144	3 548	185	141	2 775	(2 203)	5 193
Total revenue	25 400	11 712	5 510	10 074	22 107	15 508	5 188	9 061	(5 606)	98 953
Segment revenue as presented in note 9	25 400	11 712	5 510	10 074	22 107	15 508	5 188	9 061	(5 606)	98 953

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

<sup>2)</sup> Other revenues include mainly lease revenue.

## Fourth quarter 2021

NOK in millions	Norway	Sweden	Denmark	DNA Finland	dtac Thailand	Grameenphone Bangladesh	Pakistan	Other units	Eliminations	Group
Type of good/ services										
Mobile operation	3 983	2 158	1 304	1 946	4 832	3 639	1 300	-	(243)	18 918
Services	3 374	1 625	939	1 482	3 898	3 638	1 298	-	(243)	16 011
Goods	608	533	365	463	934	1	3	-	-	2 906
Fixed operation	2 247	906	124	547	-	-	-	385	(123)	4 087
Services	2 111	904	124	547	-	-	-	385	(109)	3 963
Goods	136	2	-	-	-	-	-	-	(14)	124
Other	147	-	-	-	-	-	-	1 030	(491)	686
Services	147	-	-	-	-	-	-	1 020	(491)	676
Goods	-	-	-	-	-	-	-	9	-	9
Sum type of goods/services	6 377	3 064	1 427	2 493	4 832	3 639	1 300	1 415	(856)	23 691
Type of mobile subscription										
Contract	2 898	1 410	806	1 330	2 491	158	39	-	(16)	9 117
Prepaid	29	45	-	55	1 237	3 460	1 246	-	(110)	5 962
Other <sup>1)</sup>	448	169	132	97	170	20	13	-	(117)	932
Sum services in Mobile operation	3 374	1 625	939	1 482	3 898	3 638	1 298	-	(243)	16 011
Timing of revenue recognition										
Over time	5 633	2 529	1 062	2 030	3 898	3 638	1 298	1 405	(842)	20 651
At a point in time	744	535	365	463	934	1	3	9	(14)	3 040
Total revenue from contract with customers	6 377	3 064	1 427	2 493	4 832	3 639	1 300	1 415	(856)	23 691
Other revenue <sup>2)</sup>	80	55	9	7	833	50	34	496	(391)	1 174
Total revenue	6 457	3 119	1 436	2 500	5 665	3 689	1 334	1 911	(1 247)	24 865
Segment revenue as presented in note 9	6 457	3 119	1 436	2 500	5 665	3 689	1 334	1 911	(1 247)	24 865

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

<sup>2)</sup> Other revenues include mainly lease revenue.

## Year 2021

NOK in millions	Norway	Sweden	Denmark	DNA Finland	dtac Thailand	Grameenphone Bangladesh	Pakistan	Other units	Eliminations	Group
Type of good/ services										
<b>Mobile operation</b>	<b>15 350</b>	<b>8 268</b>	<b>4 814</b>	<b>7 496</b>	<b>18 502</b>	<b>14 288</b>	<b>5 461</b>	-	<b>(962)</b>	<b>73 218</b>
Services	13 362	6 541	3 617	5 951	16 133	14 263	5 451	-	(961)	64 357
Goods	1 987	1 728	1 197	1 546	2 370	25	10	-	(1)	8 862
<b>Fixed operation</b>	<b>9 058</b>	<b>3 623</b>	<b>502</b>	<b>2 185</b>	-	-	-	<b>1 732</b>	<b>(561)</b>	<b>16 540</b>
Services	8 690	3 616	502	2 185	-	-	-	1 732	(512)	16 214
Goods	369	7	-	-	-	-	-	-	(50)	326
<b>Other</b>	<b>639</b>	-	-	-	-	-	-	<b>3 903</b>	<b>(1 855)</b>	<b>2 687</b>
Services	639	-	-	-	-	-	-	3 889	(1 855)	2 673
Goods	-	-	-	-	-	-	-	14	-	14
<b>Sum type of goods/services</b>	<b>25 047</b>	<b>11 892</b>	<b>5 316</b>	<b>9 682</b>	<b>18 502</b>	<b>14 288</b>	<b>5 461</b>	<b>5 635</b>	<b>(3 378)</b>	<b>92 445</b>
Type of mobile subscription										
Contract	11 525	5 723	3 199	5 396	10 286	629	162	-	(72)	36 849
Prepaid	122	177	-	209	5 190	13 591	5 224	-	(516)	23 998
Other <sup>1)</sup>	1 715	640	419	345	656	44	65	-	(374)	3 510
<b>Sum services in Mobile operation</b>	<b>13 362</b>	<b>6 541</b>	<b>3 617</b>	<b>5 951</b>	<b>16 133</b>	<b>14 263</b>	<b>5 451</b>	-	<b>(961)</b>	<b>64 357</b>
Timing of revenue recognition										
Over time	22 691	10 157	4 119	8 136	16 133	14 263	5 451	5 621	(3 328)	83 244
At a point in time	2 356	1 735	1 197	1 546	2 370	25	10	14	(50)	9 202
<b>Total revenue from contract with customers</b>	<b>25 047</b>	<b>11 892</b>	<b>5 316</b>	<b>9 682</b>	<b>18 502</b>	<b>14 288</b>	<b>5 461</b>	<b>5 635</b>	<b>(3 378)</b>	<b>92 445</b>
Other revenue <sup>2)</sup>	314	216	30	31	3 376	176	143	1 883	(1 461)	4 708
<b>Total revenue</b>	<b>25 362</b>	<b>12 107</b>	<b>5 346</b>	<b>9 712</b>	<b>21 878</b>	<b>14 464</b>	<b>5 604</b>	<b>7 518</b>	<b>(4 838)</b>	<b>97 153</b>
<b>Segment revenue as presented in note 9</b>	<b>25 362</b>	<b>12 107</b>	<b>5 346</b>	<b>9 712</b>	<b>21 878</b>	<b>14 464</b>	<b>5 604</b>	<b>7 518</b>	<b>(4 838)</b>	<b>97 153</b>

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

<sup>2)</sup> Other revenues include mainly lease revenue.

## Note 4 – Discontinued operations and assets held for sale

### Discontinued operations

#### Digi

On 30 November 2022, the merger of the telecommunication operations of Celcom and Digi in Malaysia was completed. The new company is named CelcomDigi. On completion, Digi issued 3.96 billion shares to Axiata in addition to a cash payment of NOK 5.4 billion. The share issue diluted Telenor's ownership to 32.47% and Telenor lost control over Digi and Digi was deconsolidated and recognised as an associated company as of 30 November 2022. As part of the transaction to bring Telenor and Axiata to equal ownership, Telenor acquired at the same date 73.4 million shares from Axiata for an amount of NOK 667 million. Telenor's ownership after the transaction is 33.1% and CelcomDigi is accounted for as an associate.

The gain recognised on the date of losing control over Digi amounts to NOK 32.9 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. Due to CelcomDigi being a listed company and have not yet published their fourth quarter 2022 result, the gain is combined with the net income from Digi for the period October and November 2022. The split between gain and net income will be presented in Telenor's Annual Report 2022, after CelcomDigi has published their results to the stock exchange in Malaysia. A gain of NOK 450 million related to cumulative translation differences and a loss of NOK 233 million related to net investment hedge items, previously recognised in other comprehensive income, have been reclassified and included in the gain calculation. The success fee to advisors of NOK 155 million has been included in the gain calculation.

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

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

NOK in million	Fourth quarter		First three quarters		Year	
	2022	2021	2022	2021	2022	2021
Revenue	-	3 289	9 921	13 088		
EBITDA	-	1 569	4 916	6 473		
EBIT	-	926	2 935	3 851		
Profit (loss) before tax	-	804	2 567	3 361		
Income taxes	-	(127)	(857)	(731)		
Profit (loss) after tax	-	677	1 710	2 630		
Gain (loss) on disposal after tax	32 858	-	32 858	-		
<b>Profit (loss) from discontinued operations</b>	<b>32 858</b>	<b>677</b>	<b>34 567</b>	<b>2 630</b>		
Non-controlling interest	-	324	794	1 227		

#### 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 represents the present value of the remaining USD 55 million deferred payment. The received deferred payment was recognised in the third quarter. The transaction has impacted the equity of Telenor Group positively with NOK 0.2 billion. However, the reclassification of accumulated losses related to translation differences earlier recognised in other comprehensive income impacted the income statement negatively with approximately NOK 0.8 billion, resulted in a net loss on disposal of NOK 0.6 billion. The derecognition of the cash balance in Telenor Myanmar and the total proceeds received have resulted in a net negative cash flow impact of around NOK 1.4 billion in 2022.

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

NOK in million	Fourth quarter		Year	
	2022	2021	2022	2021
Revenue	-	1 147	1 018	4 835
EBITDA	-	626	617	2 751
EBIT	-	(367)	617	(5 743)
<b>Profit (loss) before tax</b>	-	(225)	602	(6 185)
Income taxes	-	(25)	(50)	(53)
<b>Profit (loss) after tax</b>	-	(249)	553	(6 238)
Gain (loss) on disposal after tax	-	-	(589)	-
<b>Profit (loss) from discontinued operations</b>	-	(249)	(36)	(6 238)

#### 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.

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

NOK in million	Fourth quarter		Year	
	2022	2021	2022 <sup>1)</sup>	2021
Revenue	-	4 435	10 940	17 923
EBITDA	-	2 195	5 533	9 223
EBIT	-	560	3 552	(1 892)
<b>Profit (loss) before tax</b>	-	580	3 169	(2 823)
Income taxes	-	(152)	(907)	(785)
<b>Profit (loss) after tax</b>	-	428	2 262	(3 608)
Gain (loss) on disposal after tax	33 148	(283)	31 454	(515)
<b>Profit (loss) from discontinued operations</b>	33 148	145	33 716	(4 123)
Non-controlling interest	-	324	794	1 227

<sup>1)</sup> Year 2022 includes first three quarters for Digi

The gain on disposal recognised during 2022 are mainly related to Digi, which is offset by accrual of interest on existing Adjusted Gross Revenue (AGR) provision against demand from Department of Telecommunication (DoT) in India. The losses on disposal recognised during 2021 was related to Telenor India. For further information about the dispute in India, see note 7.

#### Assets held for sale

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

NOK in million	31 December	31 December
	2022	2021
<b>Assets</b>		
Property, plant and equipment	-	717
Right of use assets	-	-
Inventory	-	13
Trade and other receivables	-	317
Cash and cash equivalents	-	1 863
<b>Total assets classified as held for sale</b>	-	2 910
<b>Liabilities</b>		
Non-current liabilities	-	23
Current liabilities	4 735	5 557
<b>Total liabilities held for sale</b>	4 735	5 580

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

NOK in million	31 December	31 December
	2022	2021
Digi	-	361
Telenor Myanmar	-	(802)
Telenor India	(652)	(180)
<b>Total gain (loss)</b>	(652)	(621)

#### Note 5 – Interest-bearing liabilities

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

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

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

<sup>1)</sup> Excluding lease liabilities.

## Note 6 – Fair value of financial instruments

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

	31 December	31 December
NOK in million	2022	2021
Other non-current assets	986	1 013
Other current financial assets	33	464
Non-current non-interest-bearing financial liabilities	(1 455)	(1 106)
Non-current interest-bearing financial liabilities	(3 652)	(120)
Current non-interest-bearing liabilities	(386)	(675)
Current interest-bearing liabilities	(10)	-
<b>Total</b>	<b>(4 485)</b>	<b>(425)</b>

## Note 7 – Legal disputes

### Grameenphone – BTRC Audit

Bangladesh Telecommunication Regulatory Commission (BTRC) has claimed Grameenphone (GP) NOK 12.0 billion based on audit findings since GPs inception. The claims are related to underpayment of various taxes and revenue share from GP's mobile operation, split into tax issues towards National Board of Revenue (NBR) of approx. NOK 3.9 billion and revenue share issues (BTRC) of approx. NOK 8.1 billion. Supreme Court decided in November 2019 and February 2020 that GP shall pay a deposit of NOK 1.9 billion. GP paid such deposit in two installments in order for the injunction to stay in place. BTRC submitted their response in the title suit (merits of the claim) in District Court 26 May 2022. The court requested the parties to respond to the commencement of a possible mediation process, pursuant to local law.

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

The hearing started on 26 July 2022 before the AD and the verbal judgement was pronounced on 10 January 2023, disallowing the appeal of GP and allowing the appeals of NBR (challenging the judgement of GP's rebate right). Moreover, the appeal of BTRC (challenging the judgement relating to declaring imposition of MCF on Spectrum Assignment in 2008 as illegal) has been disposed of, which will be clarified when the written judgement is available. Upon receiving written judgement, GP will take necessary steps subject for further assessment including the relevant parts of BTRC audit demands.

### India

Telenor's previous operations in India are subject to a number of disputes with the Indian Department of Telecommunications (DoT), which remain to be concluded. One of these disputes is related to the basis for calculating licence fees and spectrum usage charges for the entire duration of Telenor's operations in

India. DoT has issued several revised and new demand notices in the mentioned matter against Telenor's Indian subsidiaries during the last years. In a ruling in the fourth quarter of 2019 and in subsequent court orders in 2020, the Supreme Court of India upheld DoT's view on the determination of the licence fees and spectrum usage. These rulings have bearing on demands amounting to approximately NOK 3.5 billion. Interest accruals on demand notices received will apply and are currently estimated to NOK 0.9 billion for demand notices covered by the Supreme Court orders. For demand notices received, not covered by the Supreme Court orders, there are ongoing reviews performed by DoT and continued dialog between Telenor and DoT. Telenor has settled NOK 0.5 billion of the mentioned demands. See note 4 for information on provisions related to the period the Group owned the business in India.

### dtac – Revenue share (deduction of excise tax)

On 11 January 2008, National Telecom PCL (NT) submitted a claim to the Arbitration Institute in Thailand requesting dtac to make concession revenue sharing payments for the concession period 16 September 2002 to 15 September 2006 amounting to NOK 6.6 billion including VAT and penalties. The basis for the claim is that revenue share paid by dtac to NT was made after deduction of excise tax. dtac's opinion is that it was entitled to deduct excise tax pursuant to resolutions made by the Thai Council of Ministers on 11 February 2003 and a letter issued by NT on 27 March 2003. On 28 May 2012, the Thai Arbitral Tribunal rendered an award in favor of dtac and dismissed NT's claim. However, on 31 August 2012, NT filed a lawsuit with the Central Administrative Court in Thailand in order to revoke the Arbitral Tribunal's award. On 29 January 2016, dtac was notified by the Central Administrative Court in Thailand that the court had decided the case in dtac's favor. NT appealed the case to the Supreme Administrative Court in Thailand. On 10 January 2023, the Supreme Administrative Court uphold the judgement of the Administrative Court of First Instance to dismiss CAT's statement of claim to revoke the arbitral award requested. The case is thereby closed.

### dtac – Revenue share (deduction of interconnect expenses)

dtac is involved in industry disputes with National Telecom PCL (NT) related to the calculation of revenue share for the concession years 16-27 in the now expired concession. The issue of the disputes is whether dtac had the right to deduct interconnect expenses from its interconnect revenues to be used as basis for calculating the payment of concession fee to NT. For the disputes related to concession years 21 to 27 (16 September 2011 to 15 September 2018) NT has previously presented claims of NOK 4.6 billion in total (excl. penalty and interest). During second quarter 2022, the Arbitral Tribunal allowed NT to increase the claimed amount by NOK 0.4 billion, since interconnect revenues dtac received from other telecom operators was higher than the amounts stated in NT's statement of claim.

### Telenor Pakistan – Licence renewal

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

**Telenor Norway - ESA**

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

**Note 8 – Uncertain tax positions**

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

## Note 9 – Segment information and reconciliation of EBITDA before other income and other expenses

Pursuant to closing of the merger between Digi and Celcom on 30 November 2022, Digi as a subsidiary is classified as discontinued operations with comparative figures of 2021 re-presented.

The segment information is reported in accordance with the reporting to Group Management Team (chief operating decision makers) and is consistent with financial information used for assessing performance and allocating resources during 2022 and 2021.

### Fourth quarter 2022

NOK in million	Total revenues			of which internal		EBITDA before other income and other expenses <sup>1)</sup>				Investments <sup>2)</sup>	
	2022	2021	Growth	2022	2021	2022	Margin	2021	Margin	2022	2021
Norway	6 519	6 457	0.9 %	117	117	3 005	46.1 %	3 096	47.9 %	1 318	1 631
Sweden	2 989	3 119	-4.2 %	19	19	991	33.1 %	1 081	34.7 %	941	615
Denmark	1 474	1 436	2.7 %	25	21	347	23.5 %	310	21.6 %	278	301
DNA - Finland	2 730	2 500	9.2 %	10	10	888	32.5 %	878	35.1 %	438	683
dtac - Thailand	5 742	5 665	1.4 %	8	14	2 020	35.2 %	1 829	32.3 %	617	1 009
Grameenphone - Bangladesh	3 724	3 689	1.0 %	34	26	2 443	65.6 %	2 301	62.4 %	2 412	666
Pakistan	1 258	1 334	-5.8 %	152	64	520	41.3 %	677	50.8 %	88	2 282
Other units	2 446	1 911	28.0 %	1 116	976	624	25.5 %	177	9.2 %	1 240	417
Eliminations	(1 481)	(1 247)	18.8 %	(1 481)	(1 247)	(691)	46.7 %	(201)	16.1 %	-	-
<b>Group</b>	<b>25 402</b>	<b>24 865</b>	<b>2.2 %</b>	<b>-</b>	<b>-</b>	<b>10 146</b>	<b>39.9 %</b>	<b>10 148</b>	<b>40.8 %</b>	<b>7 331</b>	<b>7 604</b>

### Year 2022

NOK in million	Total revenues			of which internal		EBITDA before other income and other expenses <sup>1)</sup>				Investments <sup>2)</sup>	
	2022	2021	Growth	2022	2021	2022	Margin	2021	Margin	2022	2021
Norway	25 400	25 362	0.2 %	441	447	12 236	48.2 %	12 758	50.3 %	6 849	5 637
Sweden	11 712	12 107	-3.3 %	91	69	4 033	34.4 %	4 434	36.6 %	2 016	1 839
Denmark	5 510	5 346	3.1 %	96	87	1 396	25.3 %	1 413	26.4 %	934	1 077
DNA - Finland	10 074	9 712	3.7 %	43	34	3 681	36.5 %	3 645	37.5 %	1 387	1 625
dtac - Thailand	22 107	21 878	1.0 %	30	52	8 181	37.0 %	8 067	36.9 %	3 168	3 852
Grameenphone - Bangladesh	15 508	14 464	7.2 %	116	102	9 685	62.5 %	9 052	62.6 %	3 701	2 853
Pakistan	5 188	5 604	-7.4 %	367	276	2 891	55.7 %	2 976	53.1 %	2 188	3 129
Other units	9 061	7 518	20.5 %	4 423	3 770	2 409	26.6 %	1 508	20.1 %	2 042	1 027
Eliminations	(5 606)	(4 838)	15.9 %	(5 606)	(4 838)	(2 139)	38.2 %	(1 196)	24.7 %	-	-
<b>Group</b>	<b>98 953</b>	<b>97 153</b>	<b>1.9 %</b>	<b>-</b>	<b>-</b>	<b>42 374</b>	<b>42.8 %</b>	<b>42 656</b>	<b>43.9 %</b>	<b>22 284</b>	<b>21 038</b>

### Year 2021

NOK in million	Total revenues		of which internal		EBITDA before other income and other expenses <sup>1)</sup>		Investments <sup>2)</sup>	
	2021	2021	2021	2021	2021	Margin	2021	2021
Norway	25 362		447		12 758	50.3 %		5 637
Sweden	12 107		69		4 434	36.6 %		1 839
Denmark	5 346		87		1 413	26.4 %		1 077
DNA - Finland	9 712		34		3 645	37.5 %		1 625
dtac - Thailand	21 878		52		8 067	36.9 %		3 852
Grameenphone - Bangladesh	14 464		102		9 052	62.6 %		2 853
Pakistan	5 604		276		2 976	53.1 %		3 129
Other units	7 518		3 770		1 508	20.1 %		1 027
Eliminations	(4 838)		(4 838)		(1 196)	24.7 %		-
<b>Group</b>	<b>97 153</b>		<b>-</b>		<b>42 656</b>	<b>43.9 %</b>		<b>21 038</b>

<sup>1)</sup> The segment profit is EBITDA before other income and other expenses.

<sup>2)</sup> Investments consist of capex and investments in businesses, see page 30 for alternative performance measures.

### Reconciliation

NOK in million	Fourth quarter		Year	
	2022	2021	2022	2021
Profit (loss) before taxes	3 283	2 171	10 732	13 723
Share of net income from associate companies and joint	(37)	(173)	(303)	(459)
Net financial items	(593)	(793)	(6 312)	(3 472)
Operating profit (loss)	3 913	3 137	17 346	17 654
Depreciation and amortisation	(5 874)	(5 806)	(23 269)	(23 247)
Impairment losses	(22)	1	(2 502)	-
<b>EBITDA</b>	<b>9 809</b>	<b>8 943</b>	<b>43 117</b>	<b>40 902</b>
Other income	26	56	2 004	172
Other expenses	(364)	(1 261)	(1 261)	(1 926)
<b>EBITDA before other income and other expenses</b>	<b>10 146</b>	<b>10 148</b>	<b>42 374</b>	<b>42 656</b>

## Note 10 – Equity information

### Dividend

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

## Note 11 – Events after the reporting period

### Extraordinary General Meeting 2023 - share buyback authorisation

The Board of Directors of Telenor ASA held an extraordinary general meeting on 26 January 2023 asking the General Meeting for a share buyback authorization. The proposal for a share buyback authority relates to the agreement to divest 30% of Telenor Fiber AS in a transaction as described in stock exchange notice of 7 October 2022. The transaction will generate proceeds of approximately NOK 10.8 billion to Telenor.

### Partial divestment of Telenor Fiber AS (Norway)

On 1 February 2023, Telenor announced the closing of the transaction to divest 30 percent of the newly established company, Telenor Fiber AS, in Norway to a consortium led by KKR. The agreed sales price represents an enterprise value for the Norwegian fiber business of NOK 36.1 billion, resulting in proceeds of NOK 10.8 billion to Telenor. The transaction results in an increase of equity to shareholders of Telenor ASA of around NOK 7.6 billion.

### Partial settlement with the Indian Department of Telecommunications

On 30 January 2023, Telenor paid NOK 1.5 billion to the Department of Telecommunications in India related to warranties given to Bharti Airtel for the period Telenor had operations in India. The payment is a partial settlement of the dispute related to the basis for calculating licence payments and spectrum usage charges. The payment made will reduce the provision recognised in our statement of financial position accordingly. See notes 4 and 7.

### dtac – Thailand

On 26 January 2023, the Board of Directors of dtac proposed final dividend for 2022 of THB 1.22 per share, which corresponds to approximately NOK 0.8 billion total dividend and approximately NOK 0.3 billion for the non-controlling interests ownership share.

### Grameenphone – Bangladesh

On 30 January 2023, the Board of Directors of Grameenphone Ltd. proposed final dividend for 2022 of BDT 9.5 per share, which corresponds to approximately NOK 1.2 billion total dividend and approximately NOK 0.5 billion for the non-controlling interests ownership share.

### Dividend for 2022

Based on the performance during the year, the Board of Directors propose an ordinary dividend of NOK 9.4 per share for 2022, to be declared by the Annual General Meeting (AGM) on 10 May 2023. The proposed dividend shall be split into two tranches of NOK 5.0 and NOK 4.4 per share, to be paid in May and October 2023 respectively, and represents a 1% increase per share compared to 2021.

## Definitions and Alternative Performance Measures

### Definitions

#### Revenues

##### Mobile operations

**Mobile subscription and traffic**

Consist of subscription and connection fees, revenues from voice (outgoing traffic) and non-voice traffic, outbound roaming and service revenues connected to subscriptions. Subscription and traffic include only revenues from the company's own subscriptions.

**Other mobile services**

Consist of Internet of Things (IoT) and other mobile services.

**Mobile service revenues**

Consists of subscription and traffic and other mobile revenues.

**Wholesale & other mobile**

Consists of inbound roaming, national roaming, revenues related to service providers and MVNOs (Mobile Virtual Network Operators), and interconnect. Interconnect consists of revenues from incoming traffic related to the company's own subscriptions but excludes revenues from incoming traffic related to service provider or MVNO subscriptions.

**Non-mobile**

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

##### Fixed operations

**Telephony**

Consist of subscription and connection fees, traffic (fixed to fixed, fixed to mobile, to other countries, value added services, other traffic) for PSTN/ISDN and Voice over Internet Protocol (VoIP).

**Internet and TV**

Consist of subscription, traffic charges and connection fees for xDSL, cable, fibre and fixed wireless access, in addition to revenues from TV services.

**Fixed service revenues**

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

**Wholesale and broadcasting**

Wholesale consists of sale to service providers of telephony (PSTN/ISDN), Bitstream, LLUB, national and international interconnect, transit traffic, leased lines and other wholesale products. Broadcasting consists of revenues from terrestrial radio and TV transmission.

##### Other

**Infra**

Consist of revenues from passive infrastructure services in Norway.

**Satellite**

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

**Connexion**

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

**Maritime**

Consist of revenues from maritime communication services.

##### Service revenues

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



## Other key figures

### Mobile operations

#### Subscriptions

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

#### Active mobile internet users

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

#### Average traffic minutes per subscription per month (AMPU)

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

#### Average revenue per subscription per month (ARPU)

ARPU is calculated based on mobile subscription and traffic, and interconnect revenues from the company's own subscriptions, divided by the average number of subscriptions for the relevant period.

### Fixed operations

#### Subscriptions

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

#### Average revenue per subscription per month (ARPU)

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

## Alternative Performance Measures

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

### Organic revenue

Organic revenue is defined as revenue adjusted for the effects of acquisition and disposal of operations and currency effects. We believe that the measure provides useful and necessary information to investors and other stakeholders for the following reasons:

- it provides additional information on underlying growth of the business without the effect of certain factors unrelated to its operating performance;
- it is used for internal performance analysis; and
- it facilitates comparability of underlying growth with other companies (although the term "organic" is not a defined term under IFRS and may not, therefore, be comparable with similarly titled measures reported by other companies).

#### Reconciliation

NOK in million	Fourth quarter		Change fourth quarter	
	2022	2021	2022	Change YTD
Total revenue	25 402	24 865	536	2.2 %
Impact using exchange rates for 2022	(61)	182	(244)	
M&A	-	(74)	74	
<b>Organic revenue</b>	<b>25 341</b>	<b>24 973</b>	<b>367</b>	<b>1.5 %</b>

NOK in million	Fourth quarter		Change fourth quarter	
	2021	2020	2021	Change YoY
Total revenue	24 865	25 906	(1 041)	-4.0 %
Impact using exchange rates for 2021	336	(1 153)	1 489	
M&A	-	(46)	46	
<b>Organic revenue</b>	<b>25 201</b>	<b>24 708</b>	<b>494</b>	<b>1.9 %</b>

NOK in million	YTD		Change YTD	
	2022	2021	2022	Change YoY
Total revenue	98 953	97 153	1 800	1.9 %
Impact using exchange rates for 2022	-	(584)	584	
M&A	-	(271)	271	
<b>Organic revenue</b>	<b>98 953</b>	<b>96 298</b>	<b>2 655</b>	<b>2.8 %</b>

### Organic service revenue

Consist of mobile and fixed subscription and traffic, value added services that are not included in subscription and traffic revenues such as IoT, maritime communication and other end user related services in mobile and fixed operations. Subscription and traffic revenues consist of revenues from mobile subscription and traffic, fixed telephony, fixed Internet/TV and fixed data services.

Organic service revenues are defined as service revenues adjusted for the effects of acquisition and disposal of operations and currency effects. We believe that the measure provides useful and necessary information to investors and other stakeholders for the following reasons:

- it refers to the core revenue streams of the business making up more than 75% of total revenues and almost the entire gross profit for the Group;
- it provides additional information on underlying growth of the business within these core revenue streams, without the effect of certain factors unrelated to its operating performance,
- it is used for internal performance analysis, and
- it facilitates comparability of underlying growth with other companies (although the term "organic" is not defined under IFRS and may not, therefore, be comparable with similarly titled measures reported by other companies).

### Reconciliation

NOK in million	Fourth quarter		Change fourth quarter	
	2022	2021	2022	Change YTD
Service revenues	18 852	18 385	467	2.5%
Impact using exchange rates for 2022	(1)	117	(118)	
M&A	-	-	-	
<b>Organic service revenues</b>	<b>18 852</b>	<b>18 502</b>	<b>349</b>	<b>1.9%</b>

NOK in million	Fourth quarter		Change fourth quarter	
	2021	2020	2021	Change YoY
Service revenues	18 385	19 351	(966)	-5.0%
Impact using exchange rates for 2021	240	(857)	1 097	
M&A	-	-	-	
<b>Organic service revenues</b>	<b>18 625</b>	<b>18 494</b>	<b>130</b>	<b>0.7%</b>

NOK in million	YTD		Change YTD	
	2022	2021	2022	Change YoY
Service revenues	74 957	74 055	902	1.2%
Impact using exchange rates for 2022	-	(477)	477	
M&A	-	-	-	
<b>Organic service revenues</b>	<b>74 957</b>	<b>73 578</b>	<b>1 379</b>	<b>1.9%</b>

### Service revenues

NOK in million	Fourth quarter		Year		Year
	2022	2021	2022	2021	2021
Mobile subscription and traffic revenues	14 745	14 384	59 153	58 174	58 174
Other mobile revenues	378	257	1 205	931	931
<b>Total mobile service revenues</b>	<b>15 123</b>	<b>14 641</b>	<b>60 358</b>	<b>59 104</b>	<b>59 104</b>
Wholesale and other mobile	1 025	1 102	4 081	4 159	4 159
Non-mobile	3 985	4 162	14 502	13 916	13 916
<b>Total revenues mobile operations</b>	<b>20 134</b>	<b>19 905</b>	<b>78 941</b>	<b>77 180</b>	<b>77 180</b>
Fixed telephony	126	209	586	960	960
Fixed Internet/TV	2 946	2 998	11 739	11 999	11 999
Other fixed services	285	254	974	973	973
<b>Total fixed service revenues</b>	<b>3 358</b>	<b>3 461</b>	<b>13 300</b>	<b>13 931</b>	<b>13 931</b>
Hardware	115	94	260	243	243
Wholesale and broadcasting	1 122	983	4 210	4 216	4 216
<b>Total revenues fixed operations</b>	<b>4 595</b>	<b>4 539</b>	<b>17 770</b>	<b>18 390</b>	<b>18 390</b>
Other service revenues	371	283	1 299	1 020	1 020
<b>Total service revenues</b>	<b>18 852</b>	<b>18 385</b>	<b>74 957</b>	<b>74 055</b>	<b>74 055</b>
Other revenues	673	422	2 243	1 583	1 583
<b>Total revenues</b>	<b>25 402</b>	<b>24 865</b>	<b>98 953</b>	<b>97 153</b>	<b>97 153</b>

### 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	Fourth quarter		Change fourth quarter	
	2022	2021	2022	Change YoY
Gross profit	18 310	17 657	654	3.7 %
Impact using exchange rates for 2022	14	111	(97)	
M&A	-	(80)	80	
<b>Organic gross profit</b>	<b>18 324</b>	<b>17 688</b>	<b>636</b>	<b>3.6 %</b>

NOK in million	Fourth quarter		Change fourth quarter	
	2021	2020	2021	Change YoY
Gross profit	17 657	18 729	(1 073)	-5.7 %
Impact using exchange rates for 2021	222	(787)	1 008	
<b>Organic gross profit</b>	<b>17 878</b>	<b>17 943</b>	<b>(64)</b>	<b>-0.4 %</b>

NOK in million	YTD		Change YTD	
	2022	2021	2022	Change YTD
Gross profit	72 550	71 562	988	1.4 %
Impact using exchange rates for 2022	-	(438)	438	
M&A	-	(298)	298	
<b>Organic gross profit</b>	<b>72 550</b>	<b>70 825</b>	<b>1 724</b>	<b>2.4 %</b>

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

## Organic operating expenses (opex)

Organic operational expenses are defined as operational expenses adjusted for the effects of acquisition and disposal of operations and currency effects. Operating expenses (opex) is a key financial parameter for Telenor and consists of salaries and personnel cost and other operating expenses. Telenor's continuous effort to improve efficiency makes opex a key financial parameter to follow. It is also used for internal performance analysis.

## Reconciliation

NOK in million	Fourth quarter		Change fourth quarter	
	2022	2021	2022	Change YoY
Operational expenses	8 164	7 509	655	8.7 %
Impact using exchange rates for 2022	(2)	35	(37)	
M&A	-	(5)	5	
<b>Organic operational expenses</b>	<b>8 162</b>	<b>7 539</b>	<b>623</b>	<b>8.3 %</b>

NOK in million	Fourth quarter		Change fourth quarter	
	2021	2020	2021	Change YoY
Operational expenses	7 509	7 916	(407)	-5.1 %
Impact using exchange rates for 2021	95	(353)	448	
<b>Organic operational expenses</b>	<b>7 603</b>	<b>7 562</b>	<b>41</b>	<b>0.5 %</b>

NOK in million	YTD		Change YTD	
	2022	2021	2022	Change YTD
Operational expenses	30 176	28 906	1 270	4.4 %
Impact using exchange rates for 2022	7	(212)	219	
M&A	-	(15)	15	
<b>Organic operational expenses</b>	<b>30 183</b>	<b>28 679</b>	<b>1 504</b>	<b>5.2 %</b>

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

## EBITDA before other income and other expenses and EBITDA margin

Earnings before interest, tax, depreciation and amortisation (EBITDA) is a key financial parameter for Telenor. EBITDA before other income and other expenses is defined as EBITDA excluding other income and other expenses, such as gains and losses on disposals of property, plant and equipment (PPE) and operations, workforce reductions, onerous contracts and outcome from legal settlements that are of special or structural nature. EBITDA before other income and expenses is reconciled in the section Group overview. EBITDA margin is defined as EBITDA before other income and expenses divided by total revenues. These measures are useful to investors and other stakeholders in evaluating operating profitability on a more variable cost basis as they exclude depreciation and amortisation expenses related primarily to capital expenses and acquisitions that occurred in the past and non-recurring items, as well as evaluating operating performance in relation to Telenor's competitors. EBITDA margin enables comparison between segments and other operators.

## EBITDA margin

NOK in million	Fourth quarter		Year	
	2022	2021	2022	2021
Total revenues	25 402	24 865	98 953	97 153
EBITDA before other items	10 146	10 148	42 374	42 656
<b>EBITDA margin</b>	<b>39.9 %</b>	<b>40.8 %</b>	<b>42.8 %</b>	<b>43.9 %</b>

## 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	Fourth quarter		Change fourth quarter	
	2022	2021	2022	Change YoY
EBITDA	10 146	10 148	(1)	0.0%
Impact using exchange rates for 2022	16	76	(60)	
M&A	-	(75)	75	
<b>Organic EBITDA</b>	<b>10 162</b>	<b>10 149</b>	<b>13</b>	<b>0.1%</b>

NOK in million	Fourth quarter		Change fourth quarter	
	2021	2020	2021	Change YoY
EBITDA	10 148	10 814	(666)	-6.2%
Impact using exchange rates for 2021	127	(433)	561	
M&A	-	(24)	24	
<b>Organic EBITDA</b>	<b>10 275</b>	<b>10 356</b>	<b>(81)</b>	<b>-0.8%</b>

NOK in million	YTD		Change YTD	
	2022	2021	2022	Change YoY
EBITDA	42 374	42 656	(282)	-0.7%
Impact using exchange rates for 2022	(7)	(226)	219	
M&A	-	(284)	284	
<b>Organic EBITDA</b>	<b>42 367</b>	<b>42 146</b>	<b>221</b>	<b>0.5%</b>

## Capital expenses

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

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

### Reconciliation

NOK in million	Fourth quarter		Year	
	2022	2021	2022	2021
Purchases of PPE, intangible assets and prepayments for right-of-use assets	4 714	4 936	19 298	19 447
Working capital and other changes	402	3 118	(683)	1 746
Deferred licence obligations	1 656	6	4 108	1 340
Less:				
Discontinued operations	(232)	(645)	(1 404)	(1 888)
<b>Capex</b>	<b>6 540</b>	<b>7 414</b>	<b>21 319</b>	<b>20 646</b>
Licence and spectrum acquisition	(1 903)	(2 157)	(4 592)	(4 369)
<b>Capex excl. licence and spectrum</b>	<b>4 637</b>	<b>5 257</b>	<b>16 728</b>	<b>16 277</b>
Total revenues	25 402	24 865	98 953	97 153
Capex excl. licence and spectrum/Revenues (%)	18.3 %	21.1 %	16.9 %	16.8 %
<b>Total Capex/Revenues (%)</b>	<b>25.7 %</b>	<b>29.8 %</b>	<b>21.5 %</b>	<b>21.3 %</b>

## 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	
	2022	2021	2022	2021
Capital expenses	6 540	7 414	21 319	20 646
Investments in businesses	791	190	965	392
<b>Investments</b>	<b>7 331</b>	<b>7 604</b>	<b>22 284</b>	<b>21 038</b>

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

Net debt is derived from the balance sheet and consists of both current and non-current interest-bearing liabilities, current and non-current lease liabilities less related current and non-current hedging instruments, financial instruments, such as debt instruments and derivatives, and cash and cash equivalents. Net debt is adjusted for licence obligations.

Net debt is a measure of the Group's net indebtedness that provides an indicator of the overall balance sheet strength. It is also a single measure that can be used to assess both the Group's cash position and its indebtedness. The use of the term 'net debt' does not necessarily mean that the cash included in the net debt calculation is available to settle the liabilities included in this measure.

Net debt is considered to be an alternative performance measure as it is not defined in IFRS. The most directly comparable IFRS measure is the aggregate interest-bearing liabilities (both current and non-current) and cash and cash equivalents. A reconciliation from these to net debt is provided below.

#### Reconciliation

NOK in million	31 December 2022	31 December 2021
Non-current interest-bearing liabilities	83 297	87 811
Non-current lease liabilities	24 417	28 101
Current interest-bearing liabilities	8 596	9 276
Current lease liabilities	6 674	6 977
Less:		
Cash and cash equivalents	(9 929)	(15 223)
Hedging instruments	(27)	(1 071)
Financial instruments	(277)	(327)
Adjustments:		
Non-current licence obligations	(11 944)	(12 496)
Current licence obligations	(2 931)	(2 264)
<b>Net interest-bearing debt excluding licence obligations</b>	<b>97 875</b>	<b>100 783</b>

### Leverage ratio

In recent years, Telenor has measured leverage as the ratio of Net debt to EBITDA before other items. Following the structural changes in the portfolio, and triggered by closing of the merger in Malaysia, Telenor measures the leverage from 2022 as the ratio of Net debt to EBITDA before other items 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	
	2022	2021
A - Net debt	97 875	100 783
B - EBITDA before other items	42 374	49 162
C - Dividends from associates and joint ventures	1 376	
<b>D - Leverage ratio D=A/(B+C)</b>	<b>2.2</b>	<b>2.1</b>

Dividend from associated companies and joint ventures during 2022 includes dividends from Digi of NOK 0.8 billion before merger with Celcom. EBITDA before other items for 2021 includes EBITDA before other items contribution from Digi.

### 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	
	2022	2021	2022	2021
Net cash flows from operating activities	9 365	8 522	39 222	42 272
Net cash flows from investing activities	(11 512)	(4 990)	(23 145)	(17 228)
Payments of lease liabilities related to spectrum licences	(909)	(2 106)	(2 484)	(2 871)
Payments of lease liabilities related to other lease contracts	(1 500)	(1 738)	(5 589)	(5 954)
Repayments of borrowings - supply chain financing	122	167	21	(1)
Dividends paid to and purchase of shares from non-controlling interest	-	(326)	(2 802)	(3 551)
Adjustment for payment to Axiata by CelcomDigi after the merger	5 381	-	5 381	-
<b>Free cash flow</b>	<b>947</b>	<b>(471)</b>	<b>10 604</b>	<b>12 668</b>
M&A activities	(1 598)	(197)	738	1 653
<b>Free cash flow before M&amp;A activities</b>	<b>2 546</b>	<b>(273)</b>	<b>9 865</b>	<b>11 015</b>

Net cash flows from investing activities 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	
	2022	2021
Operating profit	17 346	17 654
Share of net income (loss) including gains/losses from associated companies and joint ventures	(303)	(459)
Income taxes	2 914	(5 008)
<b>A - Earnings</b>	<b>19 958</b>	<b>12 187</b>
Total equity as of beginning of the period	31 500	43 918
Net interest-bearing debt including licence obligations as of beginning of the period	115 543	127 485
Net pension obligations as of beginning of the period	2 429	2 747
<b>B - Total capital employed as of beginning of the period</b>	<b>149 472</b>	<b>174 150</b>
Total equity as of end of the period	64 375	31 500
Net interest-bearing debt including licence obligations as of end of the period	112 750	115 543
Net pension obligations as of end of the period	1 919	2 429
<b>C - Total capital employed as of end of the period</b>	<b>179 045</b>	<b>149 472</b>
<b>D - Average capital employed before adjustments (D=(B+C)/2)</b>	<b>164 258</b>	<b>161 811</b>
E - Adjustment for Telenor Myanmar and Canal Digital	(117)	5 756
E - Adjustment for Digi's capital employed	6 026	12 463
E - Adjustment for CelcomDigi	17 218	-
<b>F - Average capital employed (F=D-E)</b>	<b>141 131</b>	<b>143 592</b>
<b>G - Return on capital employed (G=A/F)</b>	<b>14%</b>	<b>8%</b>

## Additional information

### Fully owned Nordic tower businesses

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

Revenues from Telenor's fully owned tower businesses in Norway, Sweden and Finland amounted to NOK 916 million in the quarter, whereof 78% were from the anchor tenants. Total EBITDA before other items but after lease was NOK 380 million.

The entities under Nordic Towers have approximately 16 000 mobile sites and 5 500 other sites. Mobile tenancy ratio for the Nordic Towers stood at 1.61.

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

NOK in million	Fourth quarter	Year
	2022	2022
<b>Revenues*<sup>1)</sup></b>		
Telenor Infra	701	2 680
Telenor Tower Sweden	67	269
DNA Tower	149	478
<b>Total</b>	<b>916</b>	<b>3 427</b>

<b>EBITDA (boi) after lease*<sup>1)</sup></b>		
Telenor Infra	268	1 099
Telenor Tower Sweden	19	114
DNA Tower	93	274
<b>Total</b>	<b>380</b>	<b>1 488</b>

#### Statistics\*\*):

Total number of sites* <sup>1)</sup>	21 316
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<b>Number of mobile sites*<sup>1)</sup></b>	
Telenor Infra	10 796
Telenor Tower Sweden	1 688
DNA Tower	3 342
<b>Total</b>	<b>15 826</b>

<b>Mobile tenancy ratio*<sup>1)</sup></b>	
Telenor Infra	1.6
Telenor Tower Sweden	2.1
DNA Tower	1.4

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

\*\*End of period.

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

### Our approach to ESG

ESG is an integrated part of Telenor's strategy. By running our business in a responsible way, we aim to create value for shareholders and societies. *Climate and Environment* and *Digital skills* are defined as our key focus areas within ESG for the coming years.

Telenor's *Climate and environment* initiatives are within two dimensions. Telenor provides technology and services that enables customers to reduce their emissions and improve environmental performance. Such services can be IoT solutions and connectivity for smart cities (transport, grid, buildings) enabling efficiencies and lower energy consumption or integrated solutions for remote meetings reducing the need for travelling. At the same time, Telenor aims to reduce its own emissions. The targets of becoming carbon neutral in the Nordics and to achieve 50% reduction of carbon emission in Asia by 2030 were accepted by the Science-Based Targets initiative in 2021. The main mechanism to address scope 1 and 2 emissions is to increase the share of renewable electricity to run our networks indirectly from purchased electricity, either through securing Energy Attribute Certificates or long-term Power Purchase Agreements (PPA), or by replacing diesel generators with solar based energy supply units, as well as continuously exploring the potential for reduction of energy consumption. Key initiatives to reduce the energy consumption is to sunset old technologies, implement intelligent features in the networks and shift to cloud solutions. To address scope 3 emissions, the target is to by 2025 have 68% of supplier spend covered by suppliers which have set science-based targets.

The ambition within *Digital Skills* is to become an inclusive partner in building future skills for an accelerated digital future. From our position as a digital telco with mass market reach, Telenor addresses barriers to digital inclusion by ensuring customers are gaining access to life- and livelihood-enhancing services and can utilise the benefits of internet in a safe way. This will both benefit Telenor by higher usage of mobile services, and the societies by reducing inequalities and increase digital inclusion. Telenor continues to leverage on global partnerships with UNICEF, Plan International and CISCO in building digital and online safety skills for the future.

During 2022, Telenor entered into long-term PPAs for the operations in Norway and Denmark. The renewable energy solution for the Norwegian operation will be generated by a wind park in Sweden, which will start production towards end of 2023. In Denmark, the PPA is based on a solar energy plant, which will be operational by end of 2024. In addition to securing green energy for these operations, the PPAs will also provide predictable energy cost levels. Both projects are progressing according to plan. In the second half of the year the sourcing process for PPA in DNA in Finland started and is ongoing.

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

At the Capital Markets Day in September 2022, Telenor presented its ESG targets towards 2025. The targets are included for the indicators in the table to the right, and progress will be tracked on a quarterly/annual basis.

Telenor has a structural program addressing the energy cost and consumption. Key initiatives within this programme include decommissioning and sunsetting old technologies and implementation of artificial intelligence and machine learning features in the radio access network. As an example of initiatives, Telenor Sweden's acceleration of transition away from 3G will result in a reduction of energy consumption by Acceleration of transition away from 3G by Telenor Sweden resulting in a reduction of energy consumption by 1 GWh.

### Key ESG developments in the fourth quarter

In the fourth quarter Telenor launched new projects related to building digital skills in the three Asian markets. In Thailand, dtac in cooperation with Plan International, conducted a project on digital entrepreneurship skills for ethnic communities in Thailand, aimed at empowering ethnic minorities, especially young woman, through income-generating activities using digital skills. In Bangladesh, a project in cooperation with Plan International focused on safe digital space, aimed at increasing the digital knowledge, skills and resilience and safe online space for girls and youth. In Pakistan, a project in cooperation with UNICEF was launched with the aim to promoting safe and responsible use of internet among children, caregivers and educators through awareness raising, capacity building and strengthening of policy, strategic and the regulatory environment.

In the fourth quarter we see stable energy consumption development in the Nordics, while in our Asian operations the energy consumption continues to grow following the network expansion.

### Selected ESG indicators

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

Key ESG indicator	2021	2022				Target
		Q1	Q2 YTD	Q3 YTD	Q4 YTD	
Reduction of absolute scope 1 and 2 GHG emissions from global operations (baseline year 2019)**	12%	n.m.	n.m.	n.m.	11%	57% (2030)
Share of supplier spend covered by science-based targets	28.5%	31.1%	32.6%	33.2%	36.3%	68% (2025)
Number of people trained in digital skills	1.69 m	1.82 m	2.33 m	2.66 m	2.89 m	6 m (2025)
Mobile internet users (% of active data users)	58.3%	58.5%	59.2%	59.9%	58.1%	68% (2025)
Closure rate non-conformities in the supply chain***	95%	n.m.	n.m.	n.m.	55%	90% (2025)
Women in the workforce	38%	38%	38%	38%	38%	40% (2023)
Women in senior leadership positions	32%	n.m.	n.m.	n.m.	33%	40% (2025)
Lost time Injury Frequency (LTIF)****	0.20	0.19	0.09	0.12	0.13	n.a.

\*2022 year-end figures exclude Digi

\*\*The 2022 figure is approximated and will undergo validation; final 2022 figure will be available in the 2022 annual report. 2021 figure is restated and exclude Digi.

\*\*\*Measure the closure rate of non-conformities identified through supply chain sustainability inspections/audits. A structural review of supplier controls and systems is underway in Asian operations which is leading to delays in closure of non-conformities. Improvement according to plan is expected in 2023.

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

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





Fourth quarter 2022  
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