



Second quarter and half year – 2023

Interim report
January – June 2023

telenor group

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Highlights - Second quarter 2023 and half year 2023 ¹⁾

- Service revenues were NOK 15.8 billion in the second quarter, which is an increase of NOK 0.8 billion or 5% compared to the same period last year. On an organic basis, service revenues increased by 4%.
- EBITDA before other items was NOK 8.8 billion in the second quarter and increased by 4% both on reported and organic basis.
- Net income attributable to equity holders of Telenor ASA was NOK 0.8 billion for the quarter.
- CelcomDigi in Malaysia and True Corp. in Thailand together contributed NOK 0.3 billion to net income during the quarter. Moreover, CelcomDigi paid NOK 0.3 billion in dividends to Telenor Group this quarter, and NOK 0.6 billion year to date.
- Free cash flow before M&A was negative NOK 0.2 billion in the quarter and was impacted by payment of NOK 1.7 billion related to legal disputes in Bangladesh. Total free cash flow this quarter was negative NOK 0.5 billion, and positive NOK 5.1 billion year to date.
- The leverage ratio at the end of the first half of 2023 was 2.4x, which is an increase of 0.2x compared to the end of 2022, impacted by adverse currency movements, dividend payout and share buyback, partly offset by positive contribution from M&A activities.

Key figures Telenor Group

NOK in million	Second quarter		First half year		Year
	2023	2022	2023	2022	2022
Service revenues	15 841	15 049	30 692	29 549	59 760
Organic service revenue growth (%)	4%	5%	4%	2%	3%
Total Revenues	20 224	19 247	39 411	37 678	76 877
Organic revenue growth (%)	3%	4%	4%	3%	4%
Operating expenses	(6 777)	(6 385)	(13 218)	(12 528)	(25 229)
EBITDA before other income and other expenses	8 767	8 456	16 846	16 504	33 830
Organic EBITDA growth (%)	4%	0%	3%	-1%	1%
Operating profit	4 374	1 443	8 209	6 836	15 143
Net income from associated companies and joint ventures	(100)	(67)	(291)	(172)	(301)
Net income attributable to equity holders of Telenor ASA	821	(1 113)	18 967	5 457	44 913
Capex excl. lease	3 437	3 452	6 971	6 368	13 560
Free cash flow before M&A	(191)	930	242	3 364	9 866
Total Free cash flow	(518)	856	5 147	4 446	10 604
Leverage	2.4	2.2	2.4	2.2	2.2

¹⁾ Please refer to page 44 for Definitions and descriptions of Alternative Performance Measures.



Sigve Brekke

Operational execution in line with plan

In the second quarter we continue to execute on the strategy we laid out last year, with firm operational momentum across the Group. In the Nordics, quality connectivity for customers and attractive security offerings continue to drive growth in line with our outlook for the year. We maintain our focus on progress in modernisation and efficiency initiatives that will drive improved cash flow generation in line with our mid ambitions.

Overall service revenues for the Group increased by 4%, and we saw another quarter with 5% year-on-year growth in organic mobile service revenues in the **Nordics**. Nordic EBITDA was up 2% despite continued headwinds from the copper shutdown, supporting our full-year outlook. In Norway, I was pleased to see 4% mobile ARPU growth and 3% underlying reduction in opex. We also continue to drive the sustainability of our business model by adding more renewable power into our energy mix. A new contract with Statkraft will support our Finnish operations with wind power for the next 10 years, providing cost visibility and is another important building block for realising our climate ambitions.

In **Asia**, performance is solid amid a challenging operating environment. Asian organic service revenue grew 5%, driven by increased data revenue growth in line with strategy as well as price increases. Coupled with strong cost management, this enabled EBITDA growth of 6% in the region. Pakistan remains a tough market with high inflation, and I am impressed with our team's achievements. Through our associated companies in Thailand and Malaysia we now have number-one positions in both markets. Our current focus for these assets remains successful merger integration and synergy realisation, supporting increasing cash repatriation in the medium term.

For the **Infrastructure** and **Amp** areas, I am happy to see good underlying growth. Energy costs and consumption have been reduced by the sunsetting of the fixed legacy business and lower energy prices in Norway. In June, we also announced that Telenor, Hafslund, and HitecVision are establishing a joint venture to build secure and green energy data centres close to core Telenor customers, supporting the continued digitalisation of the Norwegian society with high security standards. In Amp, the focus remains active portfolio development, and we continue to see double-digit growth in IoT and Maritime businesses this quarter.

Free cash flow did not reflect the overall positive operational development due to high investment levels, spectrum instalments in Asia of NOK 0.7 billion, and NOK 1.7 billion in payments relating to legal disputes in Bangladesh. In combination with adverse currency effects on debt, this has lifted financial leverage for the group outside our target range. We expect cash flow to improve materially in the second half of the year and net leverage to normalise as we continue to deliver on our strategy through 2023 to 2025.

I remain confident in our performance and execution, and we maintain our full-year and medium-term outlook.

Sigve Brekke, President & CEO Telenor Group



Mid-term financial ambitions

- Low to mid-single digit growth in Nordic service revenues
- Mid-single digit growth in Nordic EBITDA
- Year-on-year growth in dividend per share

A reshaped Telenor with clear priorities

We remain confident in our priorities, as we execute on our strategy, delivering profitable growth in the Nordics, capturing value from the mergers in Asia, crystallising values in Infrastructure, and focusing our approach to developing the asset in the Amp portfolio.

At Capital Markets Day in September 2022, Telenor's new strategic direction was presented, focusing on value creation from the four business areas Nordics, Asia, Infrastructure and Amp, including financial ambitions towards 2025.

The reshaped setup gives us flexibility to navigate the uncertainty in our environment. Execution on the four distinct value creation strategies yields strong performance for the Group and builds the foundation for delivering continued attractive shareholder returns.

The value creation strategy in **Telenor Nordics** is to capture revenue growth potential while driving modernisation. The Nordic telecom customers have high expectations, and we are proud to serve these advanced customers with high quality networks and services. To differentiate our value proposition and drive ARPU, we deliver high quality connectivity with adjacent services, such as security. Modernisation enables a more efficient and flexible delivery model, whereas Nordic collaboration creates scale.

In **Telenor Asia**, we aim to contribute to, and capitalise on, the economic growth of the region through market-leading positions. Cash flow contribution will be driven by the significant synergies expected from the mergers in Thailand and Malaysia, as well as from profitable growth. We remain confident that our high governance standards ensure transparency and control. The long-term priority is to develop strategic alternatives for Telenor in Asia.

We believe the digital infrastructure assets carved out in **Telenor Infrastructure** are well positioned to serve the digitalisation in the Nordics. We offer attractive services to our customers by combining resilient infrastructure, efficient operations, and green energy supply. Our ambition is to crystallise the values from the infrastructure business.

The strategic focus for **Telenor Amp** is to unlock the value potential of the asset portfolio. We manage the portfolio of assets within Amp with a develop-or-divest approach. Our ambition is to develop leading Nordic service positions in selected high-growth segments like IoT and security, and selected investments within prioritised areas.

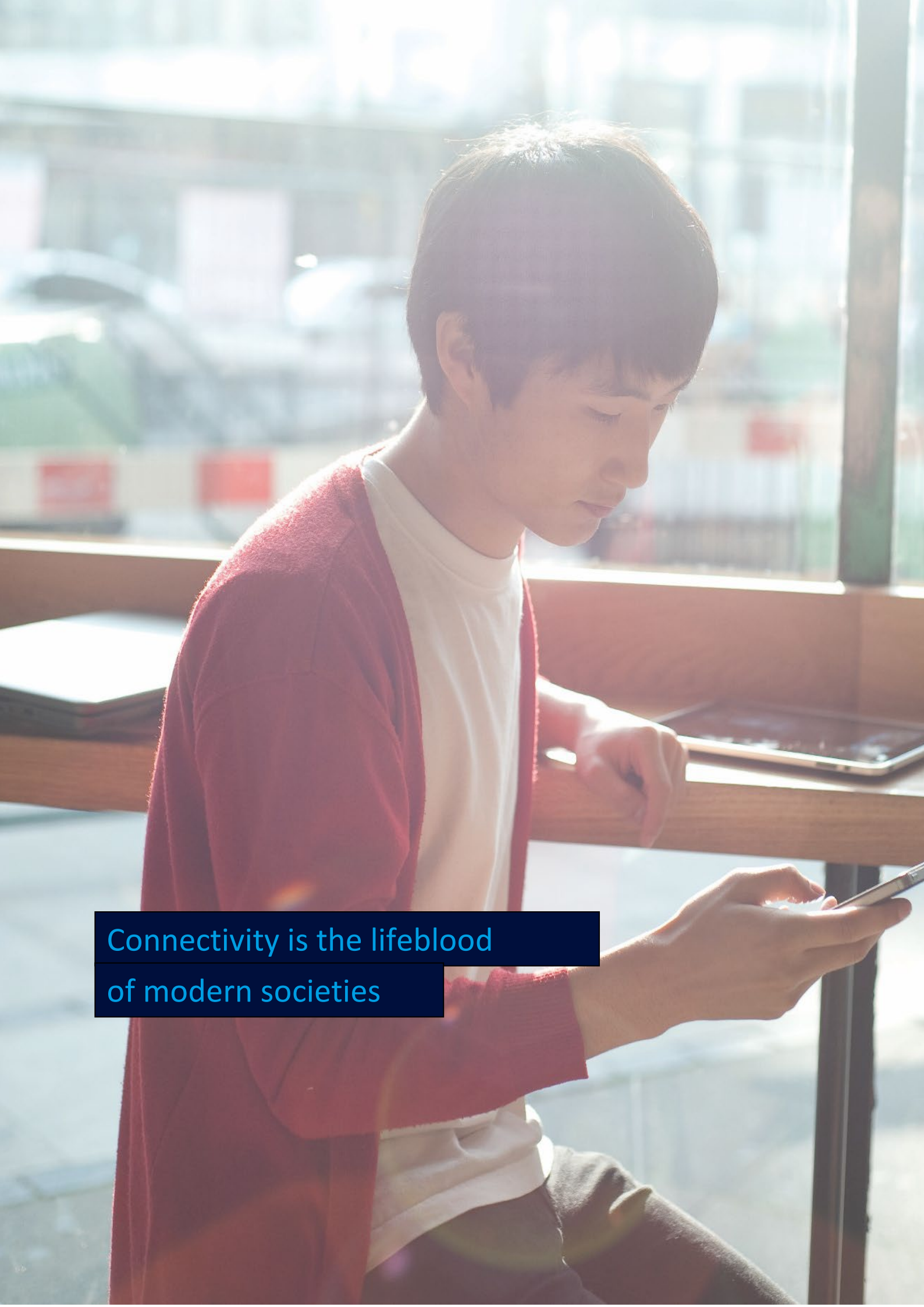
Our **responsible business conduct** is a differentiator, and across our markets, we have set ESG targets reflecting our ambitions. We attract partners who appreciate our high governance standards. We earn trust as a positive contributor to societies, with inclusion and online safety as our strongest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

Mid-term financial ambitions, 2023-2025 as presented at CMD 2022

- Low to mid-single digit growth in Nordic service revenues
- Mid-single digit growth in Nordic EBITDA
- Year on year growth in dividend per share

2023 financial outlook

- Low to mid-single digit growth in Nordic service revenues
- Low to mid-single digit growth in Nordic EBITDA
- Nordic capex/sales of around 17%

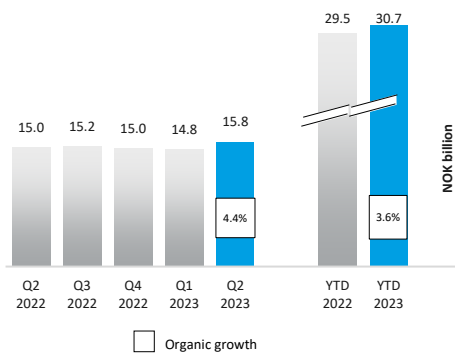


Connectivity is the lifeblood
of modern societies

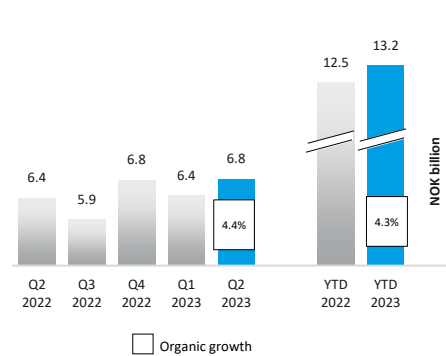
Group financial overview



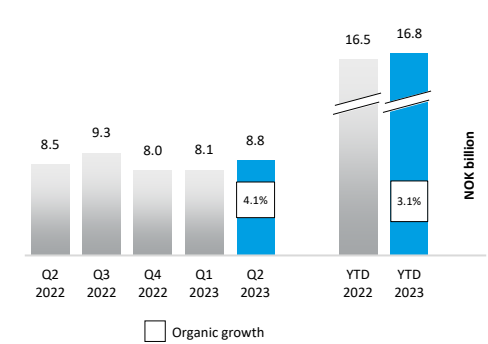
Service revenues



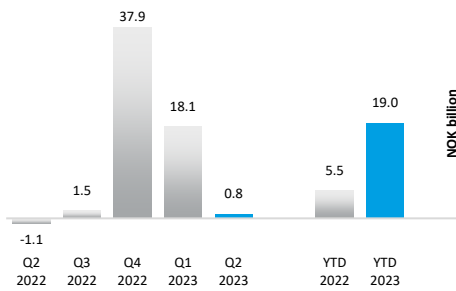
Opex



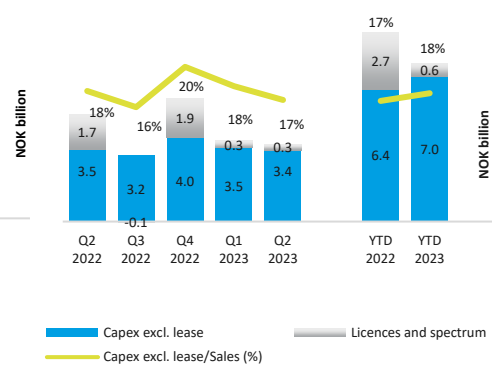
EBITDA before other items



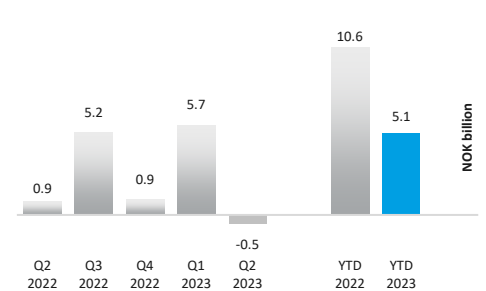
Net income



Capex excl. lease



Free cash flow



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Service revenues

Service revenues increased by 4% on organic and 5% on reported basis.

In the Nordics, the service revenue growth was mainly driven by mobile service revenues and was supported by price adjustments in all markets and larger subscriber bases in Sweden and Finland. Total service revenues grew by 4% and mobile service revenues grew by 5%. In Asia, service revenues increased by 5% and was primarily driven by increased data usage and price adjustments in Grameenphone. Moreover, the Group's service revenue growth was supported by good development in Telenor Maritime and the IoT provider Telenor Connexion in Amp.

For the first half of the year, service revenues grew by 4% on both organic and reported basis, and was supported by growth in all business areas.

Operating expenses (Opex)

Reported opex increased by NOK 0.4 billion in the quarter. On organic basis, opex increased by NOK 0.3 billion, or 4%. The increase was mainly driven by higher energy costs in Asia. The increase in personnel expenses, and operations and maintenance costs were at more moderate levels given the high inflationary environment. In the same period last year, an estimate change related to the handset swap programme in Norway reduced the opex by NOK 0.1 billion, and when adjusted for this, the Group's opex increased by 3%, whereas the opex in Nordics was stable.

For the first half of the year, organic opex increased by NOK 0.5 billion, or 4%, with energy cost in Asia as a key driver with NOK 0.2 billion increase. In general, we see opex increases below inflation in most markets, which is facilitated by continued good momentum in modernisation and good cost control. Increased sales and marketing costs in the Nordics supported 5% mobile service revenue growth.

EBITDA before other income and other expenses

EBITDA before other items grew by 4% on both organic and reported basis. The growth was mainly driven by higher service revenues. While energy was a significant drag on the Group and Nordic EBITDA last year, we now see a stable cost level in the Nordics and Infrastructure compared to same quarter last year.

In the same period last year, EBITDA before other items was positively impacted by a contract settlement in Amp and a change in estimate related to the handset swap programme in Norway, totaling NOK 0.3 billion. Higher energy costs had an impact of NOK 79 million on the Group's EBITDA, driven by increase in Asia, which was partly offset by a net decline in the Infrastructure and Nordics.

For the first half of the year, EBITDA before other items increased by 3% on organic and 2% on reported basis.

Specification of other income and other expenses

NOK in million	Second quarter		First half year		Year
	2023	2022	2023	2022	2022
EBITDA before other income and other expenses	8 767	8 456	16 846	16 504	33 830
Other income	1	-	1	-	(1)
Gains on disposals of property, plant and equipment (PPE) and operations	10	118	19	1 919	1 946
Total other income	11	118	19	1 919	1 945
Losses on disposals of property, plant and equipment (PPE) and operations	(113)	(61)	(163)	(92)	(220)
Workforce reductions, onerous (loss) contracts and other	(86)	(242)	(269)	(414)	(796)
Total other expenses	(198)	(303)	(432)	(506)	(1 016)
EBITDA	8 580	8 271	16 433	17 917	34 758

Total other expenses this quarter consisted mainly of a NOK 72 million settlement for a disposal of business in 2020 and workforce reductions of NOK 86 million. For the second quarter last year, total other income consisted mainly of NOK 93 million related to gain on sale of licenses in Telenor Sweden. Total other expenses consisted mainly of workforce reductions of NOK 242 million (of which NOK 211 million in Telenor Norway).

For the first half year 2023, total other expenses consisted mainly of the aforementioned settlement and workforce reductions of NOK 269 million (of which NOK 158 million in Telenor Norway). For the first half year 2022, total other income consisted mainly of NOK 1.7 billion gain on divestment of fixed non-core assets in Telenor Sweden. Total other expenses

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consisted mainly of workforce reductions of NOK 414 million (of which NOK 255 million in Telenor Norway and NOK 88 million in Grameenphone).

Operating profit

For the second quarter, the operating profit was NOK 4.4 billion, which is an increase of NOK 2.9 billion compared to the same period last year. Operating profit last year was significantly impacted by the impairment recognised for Telenor Pakistan of NOK 2.5 billion. Growth in EBITDA before other items contributed positively by NOK 0.3 billion.

For the first half of the year, the operating profit was NOK 8.2 billion, which is an increase of NOK 1.4 billion compared to the same period last year. For this year, the increase was due to increased EBITDA before other items of NOK 0.3 billion and lower depreciations of NOK 0.4 billion. Last year, the operating profit was significantly impacted by the aforementioned impairment, partly offset by a gain on disposal of fixed non-core assets in Sweden of NOK 1.7 billion.

Associated companies and joint ventures

Telenor holds significant interests in CelcomDigi and True Corporation. These two associates are listed companies and report their quarterly results to the external market after Telenor publishes its quarterly results. As a consequence, Telenor reports its share of net income from CelcomDigi and True Corporation with a one-quarter lag. This implies that in the first quarter 2023, Telenor reported only the month of December 2022 for CelcomDigi. For the second quarter 2023, the quarterly results for the first quarter for CelcomDigi has been included. For True Corporation, Telenor did not report any share of net income in the first quarter 2023. For the second quarter 2023, and based on the closing of the transaction on 1 March, Telenor's share of net income for the month of March only has been reported. For further information about the transactions and significant associates, please see note 4 *Associated companies and joint ventures* and note 5 *Discontinued operations and assets held for sale*.

NOK in million	Second quarter		First half year		Year
	2023	2022	2023	2022	2022
Profit (loss) after taxes reported by companies	304	(67)	122	(172)	(230)
Amortisation of Telenor's net excess values after taxes	(28)	-	(37)	-	-
Profit (loss) after taxes to Telenor	276	(67)	85	(172)	(230)
Impairment losses	(376)	-	(376)	-	-
Profit (loss) from associated companies and joint ventures	(100)	(67)	(291)	(172)	(301)

Net loss after tax from associated companies and joint ventures during the second quarter of 2023 was NOK 100 million, mainly due to an impairment recognised for Telenor Microfinance Bank of NOK 376 million, partly offset by profit after tax in CelcomDigi of NOK 221 million, True Corporation of NOK 38 million and Telenor Microfinance Bank of NOK 7 million. In addition, a net loss after tax from Carousell of NOK 35 million was recognised in the second quarter. The second quarter of last year mainly includes loss after tax from Carousell of NOK 61 million and Telenor Microfinance Bank of NOK 54 million, offset by profit after tax from Allente of NOK 64 million.

Net loss after tax from associated companies and joint ventures during the first half year of 2023 was NOK 291 million, mainly due to the impairment recognised for Telenor Microfinance Bank of NOK 376 million, partly offset by profit after tax in CelcomDigi of NOK 157 million, True Corporation of NOK 38 million and Telenor Microfinance Bank of NOK 1 million. In addition, a net loss after tax from Carousell of NOK 65 million was recognised first half year of 2023. The first half of last year mainly includes loss after tax from Carousell of NOK 143 million and Telenor Microfinance Bank of NOK 123 million, offset by profit after tax from Allente of NOK 111 million.

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Financial items

NOK in million	Second quarter		First half year		Year
	2023	2022	2023	2022	2022
Financial income	268	126	455	235	392
Financial expenses	(1 466)	(515)	(2 196)	(899)	(2 901)
Net currency gains (losses)	(468)	(2 298)	(3 586)	(2 191)	(3 386)
Net change in fair value of financial instruments	160	244	129	518	391
Net gains (losses and impairment) of financial assets and liabilities	(480)	4	(480)	(1)	1
Net financial income (expenses)	(1 986)	(2 440)	(5 679)	(2 337)	(5 503)
Gross interest expenses related to interest-bearing liabilities and lease liabilities	(902)	(421)	(1 512)	(692)	(1 838)
Net interest expenses	(682)	(330)	(1 146)	(537)	(1 603)

In the second quarter, total net financial items included NOK 0.4 billion in interest cost related to legal disputes in Bangladesh and NOK 0.5 billion write down of financial assets related to funding of purchases of shares in True Corp. in Thailand. In addition, higher interest rates resulted in a higher interest expense in 2023 compared to 2022, which was partly offset by higher interest income.

Net currency losses in the second quarter were due to continued weakening of NOK. In the first half of 2023 and same period in 2022, net currency losses were driven by weakening of NOK against most currencies relevant for Telenor, and currency losses were mainly related to liabilities denominated in USD and intercompany loans in SGD.

Financial expenses in the first half of 2023 were partly driven by the above-mentioned interest cost in Grameenphone. Higher interest rates resulted in a higher interest expense in 2023 compared to 2022, a year-on-year change of NOK 0.7 billion, which was partly offset by NOK 0.2 billion higher interest income.

Net losses of financial assets for the first half of 2023 included the write down related to the funding of the share purchase in True Corp.

In the first half of 2023 and same period in 2022, net currency losses were driven by weakening of NOK against most currencies relevant for Telenor, and currency losses were mainly related to liabilities denominated in USD and intercompany loans in SGD.

Income tax

The effective tax rate this quarter was 31%, positively impacted by settlement of historical disputes with the tax authorities in Bangladesh, offset by NOK 221 million coming from the favourable ruling from the Appeal Court changing the timing on tax deduction for the losses related to the India guarantee (see note 9). The high effective tax rate for the first half year of 40% is mainly explained by high currency losses in Norway, increasing the relative impact of jurisdictions with higher nominal tax rates. The effective tax rate for the year is estimated to be around 35%.

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Discontinued operations

dtac

On 1 March 2023, the merger between True Corporation Public Company Ltd (True) and Total Access Communication Public Company Ltd (dtac) in Thailand was completed. The name of the new company is True Corporation Public Company Ltd (True), which is listed on the Stock Exchange of Thailand. On completion, the shares in dtac were converted to shares in True leading to a loss of control in dtac and subsequently dtac being deconsolidated from Telenor Group and recognised as an associated company. Telenor's ownership in True as of 30 June was divided into a direct ownership of 26.3% and an indirect ownership of 3.9%. True is accounted for as an associated company using the equity method from 1 March 2023. See note 4 and note 5 for further information about the transaction.

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

Digi

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

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

Net income

Net income for the period was NOK 1.4 billion, as the operating profit of NOK 4.4 billion was reduced by net financial items of NOK 2.0 billion. Tax expense for the period was NOK 0.7 billion, leading to profit after tax of NOK 1.6 billion from continued operations. Moreover, loss from discontinued operations was NOK 0.1 billion, resulting in net income from total operations of NOK 1.4 billion, of which NOK 0.6 billion relates to non-controlling interests, resulting in net income of NOK 0.8 billion to equity holders of Telenor ASA.

For the first half of 2023, net income attributable to equity holders of Telenor ASA was NOK 18.9 billion which is an increase of NOK 13.5 billion. The increase was driven by NOK 18.5 billion gain recognised as part of the merger completion in Thailand, partly offset by increased net financial items by NOK 3.3 billion. Last year there was a gain on disposal of fixed non-core assets in Sweden of NOK 1.7 billion and a reversal of tax expenses related to India guarantee of NOK 2.5 billion in the first quarter, partly offset by the impairment of Telenor Pakistan of NOK 2.5 billion in the second quarter.

Capital expenditure excluding leases (Capex excl. leases)

Capex excluding leases was NOK 3.4 billion, resulting in capex to sales ratio of 17.0%. The capex level remained relatively high, driven by the 5G rollout in the Nordics, fibre investments in Norway and network investments in Bangladesh. The capex to sales ratio in the Nordics stood at 17.1% for the period and 17.9% year to date, and is expected to be around 17% for the full year.

The capex so far this year amounted to NOK 6.9 billion, which is 17.7% of sales.

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Cash flow

The Group's total free cash flow in the second quarter was negative NOK 0.5 billion.

Free cash flow before M&A was negative NOK 0.2 billion. Excluding payments of NOK 1.7 billion in Bangladesh relating to legal disputes regarding license and tax issues, the free cash flow before M&A was NOK 1.5 billion, supported by NOK 0.3 billion dividend from CelcomDigi. Working capital remained stable on underlying basis. Cash flow from M&A activities in the quarter was negative NOK 0.3 billion, with largest item relating to the merger transaction in Thailand.

Total free cash flow for the first six months of the year was NOK 5.1 billion, of which NOK 4.9 billion was related to M&A activities.

Cash and cash equivalents decreased by NOK 2.1 billion during the quarter, as the total negative free cash flow of NOK 0.5 billion, payment of dividend of NOK 6.9 billion, share buybacks of NOK 0.2 billion were only partly offset by net proceeds of borrowings of NOK 5.4 billion and positive currency effects of NOK 0.1 billion. For the first half of the year, cash and cash equivalents increased by NOK 2.4 billion. The total free cash flow of NOK 5.1 billion, net proceeds of borrowings of NOK 5.4 billion and positive currency effects of NOK 0.6 billion were partly offset by payment of dividend of NOK 6.9 billion and share buybacks of NOK 1.7 billion.

Financial position

During the first half year of 2023, total assets decreased by NOK 6.0 billion to NOK 233.3 billion. The decrease was primarily caused by the deconsolidation of dtac and recognition as an associate and payment of dividend of NOK 6.9 billion in the second quarter. This was partly offset by the receipt of NOK 10.8 billion for the sale of 30 percent stake in the fibre infrastructure in the first quarter and positive currency translation effects of approximately NOK 10.9 billion.

During the first half year of 2023, net debt decreased by NOK 10.0 billion to NOK 87.8 billion driven primarily by positive free cash flow of NOK 5.1 billion and deconsolidation of dtac of NOK 22 billion, partly offset by dividends to equity holders of Telenor ASA of NOK 6.9 billion and negative currency translation effects of NOK 9.0 billion. As a result, interest-bearing liabilities excluding licence obligations decreased by NOK 7.5 billion, and cash and cash equivalents increased by NOK 2.6 billion.

During the first half year of 2023, total equity increased by NOK 14.6 billion to NOK 79.0 billion. The increase was mainly due to positive net income from total operations of NOK 20.0 billion, of which NOK 18.5 billion related to the derecognition of dtac. Equity further increased by the divestment of 30 percent stake in the fibre infrastructure company in Norway with a total effect of NOK 10.8 billion, positive currency translation effects of approximately NOK 3.4 billion, and pension remeasurement gains (net of tax) of NOK 1.2 billion. The increase was partly offset by dividends to equity holders of Telenor ASA and non-controlling interests of NOK 13.9 billion, derecognition of non-controlling interests related to dtac disposal of NOK 2.1 billion and share buyback of NOK 1.7 billion.

Currency exchange rates

Telenor has significant operations abroad and fluctuation of NOK against relevant Telenor currencies impacts net assets. For the second quarter, the impact on translating the net assets to NOK resulted in a loss of NOK 0.3 billion recognised in other comprehensive income, coming from a NOK 0.9 billion gain related to the assets and NOK 1.1 billion of loss related to the liabilities.

In addition, Telenor has significant debt in foreign currencies, which, to some extent, impacts the income statement when the currencies fluctuate. In addition, Telenor uses part of its borrowings in foreign currencies to hedge its foreign investments, called net investment hedges, and this either fully or partly offsets the currency impact from debt in the income statement. The currency effects of borrowings and placements in foreign currencies, mainly coming from borrowings in EUR and USD, impacted the income statement with a loss of NOK 0.5 billion. In addition, the net investment hedges impacted the Other Comprehensive Income statement with a loss of NOK 0.6 billion.

The overall net effect before tax related to currency on total equity during the second quarter was a loss of NOK 1.3 billion.

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Performance in the business areas



Telenor has four business areas. The mobile and fixed line businesses are reported in the Nordic and Asia segments. The Infrastructure segment consists of certain passive infrastructure in the Nordic countries, and the portfolio of adjacent businesses and companies are reported in the Amp segment. These segments were effective from 1 January 2023 following a reorganisation of Telenor.

Basis for reporting

The historical figures have been restated to reflect the new structure, including separation of towers from Telenor Sweden and DNA into Infrastructure. See note 2 for more information. The comments on the financial development in the business areas are made on an organic basis in the second quarter of 2023 compared to the second quarter of 2022, unless otherwise stated. Please refer to Definitions on page 46 for descriptions and calculations of alternative performance measures. All comments on EBITDA are made on development in EBITDA before other income and other expenses. Please refer to page 8 for specification of other income and other expenses. Additional information is available at: www.telenor.com/ir

Nordics

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

NOK in million	Second quarter		YoY change		First half year		YoY change		Year
	2023	2022	Reported	Organic	2023	2022	Reported	Organic	2022
Norway	5 021	4 921	2%	2%	9 914	9 746	2%	2%	19 633
Sweden	2 455	2 199	12%	5%	4 778	4 322	11%	5%	8 790
Denmark	1 074	904	19%	3%	2 022	1 786	13%	0%	3 678
Finland	2 277	1 859	22%	6%	4 382	3 660	20%	6%	7 546
Other/eliminations	(24)	(21)	12%	n.m.	(52)	(37)	41%	n.m.	(75)
Service revenues	10 803	9 862	10%	4%	21 045	19 476	8%	3%	39 572
Total revenues	14 045	13 000	8%	2%	27 557	25 654	7%	2%	52 477
Opex	(4 316)	(3 961)	9%	2%	(8 472)	(7 812)	8%	3%	(15 646)
Norway	3 094	3 130	-1%	-1%	6 108	6 132	0%	0%	12 236
Sweden	1 076	969	11%	5%	2 077	1 925	8%	4%	3 981
Denmark	445	346	29%	12%	775	696	11%	-2%	1 396
Finland	1 082	895	21%	4%	2 068	1 778	16%	2%	3 547
Other/eliminations	25	9	163%	n.m.	27	24	14%	n.m.	28
EBITDA before other items	5 722	5 350	7%	2%	11 055	10 555	5%	1%	21 187
Operating profit	2 238	1 850	21%	n.m.	4 208	5 441	-23%	n.m.	9 143
Capex excl. lease	2 407	2 434	(27)	n.m.	4 942	4 518	424	n.m.	9 957

*n.m. stands for not measured

In the Nordics, service revenues increased by 4% driven mainly by mobile ARPU growth in all business units, but also from growth in fixed non-legacy revenues in Norway. Together with good cost control, this resulted in EBITDA growth of 2%, or 5% when adjusting for effects related to the handset swap programme in Norway last year. Mobile network modernisation and 5G rollout continued at high pace in all business units. Together with investments into fibre in Norway, this resulted in a capex level at 17.2% of revenues, which is slightly lower than in the first quarter. Performance so far this year is on track towards the full-year outlook of low-to-mid single-digit growth in service revenues and EBITDA, and a capex/sales ratio of around 17%.

A key focus for Telenor Nordics is to execute on its transformation agenda to drive EBITDA growth and position the operations for the future. This includes several joint initiatives where synergies are identified, e.g., within technology, IT and support functions, at the same time enabling the business units to adapt their approach towards the customers to local market dynamics. In addition, several local initiatives have been initiated, for example within the working capital area, aided by extensive knowledge sharing across the region.

In Norway, Telenor was again confirmed by Ookla to have the best mobile network. Our rollout continues with 475 new 5G-ready base stations added this quarter. The number of 5G enabled phones in the network has now surpassed those with 4G only, enabling more and more customers to benefit from our network modernisation. The position as the leading operator in the business segment was further demonstrated with the four Norwegian Regional Health Authorities choosing Telenor to provide a wide range of telecom-services, where indoor 5G coverage and security were emphasised as important factors. Mobile ARPU growth from value-added services and pricing initiatives, together with continued growth in fixed non-legacy revenues, resulted in 2% service revenue growth. Reported EBITDA was down 1% but increased by 4% when adjusting for the effects related to the handset swap programme last year.

In Sweden, service revenues increased by 5%, primarily driven by 7% growth in mobile from a larger customer base and several pricing initiatives. The revenue growth was only partly offset by higher operating expenses, resulting in EBITDA growth of 5%. The mobile network modernisation continued with 3G decommissioning and 5G rollout at high pace, supporting the launch of new 5G-based services in the business segment.

The operation in Denmark had a strong quarter with 3% service revenue growth and 12% increase in EBITDA. The performance was driven by pricing initiatives within both mobile and fixed, in combination with reduced operating expenses and lower energy costs. The product offering was further strengthened this quarter with the launch of Safezone, which is a security product aimed at the business market, previously successfully launched in Norway. The mobile customer growth of 37 000 was driven mainly by the acquisition of the service provider OK Mobil.

In Finland, service revenues increased by 6%, supported by pricing initiatives and subscriber growth within both mobile and fixed. Despite higher costs related to energy and personnel, EBITDA grew by 4%. A 10-year Power Purchase Agreement was signed with Statkraft in June, implying that around 80% of DNA's power consumption will be secured at predictable cost through a new wind farm to be built in Finland, with estimated start-up late 2024.

Asia

Business area Asia consists of Grameenphone in Bangladesh and Telenor Pakistan as well as the associated companies True Corporation in Thailand (30.2% ownership share), CelcomDigi in Malaysia (33.1% ownership share), and Telenor Microfinance Bank in Pakistan (55% ownership share). The Telenor Asia office is also part of business area Asia.

CelcomDigi in Malaysia started trading as the new combined company on the Stock exchange of Malaysia on 1 December 2022. CelcomDigi is Malaysia's largest mobile network operator with a total customer base of 20.2 million at the end of first quarter 2023. As of 30 June 2023, the market capitalisation was NOK 111 billion on 100% basis, of which NOK 37 billion for Telenor's economic interest. True Corporation (TrueCorp) started trading as the new combined company on the Stock exchange of Thailand on 3 March. True Corporation is Thailand's largest mobile network operator with a total customer base of almost 50.5 million at the end of first quarter 2023. As of 30 June, the market capitalisation was NOK 69 billion on 100% basis, of which NOK 21 billion for Telenor's economic interest. As CelcomDigi and True Corporation are listed companies and will publish their quarterly results after Telenor, the share of profits from these companies are included in Telenor's reporting with one quarter lag. See note 4 for more information.

NOK in million	Second quarter		YoY change		First half year		YoY change %		Year
	2023	2022	Reported	Organic	2023	2022	Reported	Organic	2022
Bangladesh	3 798	3 827	-1%	5%	7 236	7 378	-2%	4%	14 752
Pakistan	868	1 089	-20%	4%	1 734	2 199	-21%	1%	4 267
Service revenues	4 666	4 916	-5%	5%	8 969	9 577	-6%	3%	19 019
Total revenues	5 120	5 374	-5%	6%	9 831	10 470	-6%	4%	20 973
Opex	(1 858)	(1 896)	-2%	8%	(3 586)	(3 646)	-2%	8%	(7 270)
Bangladesh	2 447	2 456	0%	6%	4 655	4 737	-2%	4%	9 685
Pakistan	513	613	-16%	8%	992	1 275	-22%	-1%	2 891
Other/eliminations	(72)	(43)	68%	n.m.	(137)	(66)	108%	n.m.	(60)
EBITDA before other items	2 887	3 026	-5%	6%	5 511	5 946	-7%	2%	12 516
Operating profit	1 822	(622)	-393%	n.m.	3 444	1 112	210%	n.m.	5 442
Capex excl. lease	772	743	4%	n.m.	1 542	1 364	13%	n.m.	2 373
CelcomDigi	221	-	221	n.m.	157	-	157	n.m.	-
True Corp	38	-	38	n.m.	38	-	38	n.m.	-
Others	(296)	(49)	(247)	n.m.	(376)	(104)	(272)	n.m.	-
Net income from associates and JVs	(37)	(49)	12	n.m.	(181)	(104)	(77)	n.m.	(194)
Dividends from associates and JVs	299	-	299	n.m.	570	-	570	n.m.	283

*n.m. stands for not measured

In Asia, inflationary pressures, and the challenging macro environment, particularly in Pakistan, continues to impact our operations as well as our customers. Still, organic service revenues improved by 5% primarily due to higher mobile ARPU in Grameenphone. EBITDA increased by 6% explained by improved results in both Grameenphone and Telenor Pakistan. Higher energy prices continue to negatively impact the results also this quarter.

In Bangladesh, Grameenphone's subscriber acquisition pace has improved significantly after the ban on new SIM sales was lifted in January this year. The company added 1.1 million subscribers this period, taking the total subscription base to 81.3 million, which is yet 4% lower than one year ago. Higher data usage and better monetisation of voice services supported an ARPU uplift of 11%, taking the service revenues growth to 5%. EBITDA improved by 6% as the revenue growth more than offset the impact of higher energy cost, increased market activities and network maintenance costs. In the second quarter, Grameenphone settled old tax disputes and paid fees related to past spectrum licence acquisitions following a court order, amounting to NOK 1.7 billion, see note 10 for details.

Management's focus for Telenor Pakistan remains to manoeuvre in the very challenging business and macroeconomic environment by prioritising higher ARPU customers, balancing network quality and further adapting the organisation. Service revenues increased by 4% due to improved data monetisation more than offsetting the impact from a lower subscription

base. EBITDA improved by 8% as a result of higher service revenues and revenues from incoming international interconnect traffic more than offsetting the negative impact of higher energy prices, adverse currency movements, and contractual costs increases.

CelcomDigi published its first quarter results on 24 May 2023. Service revenues improved by 1% compared to the first quarter 2022 while EBITDA increased by 3%. The company's financial outlook is to maintain service revenue growth momentum and have flat to single digit EBITDA growth. Capex is expected in the range of 15-18% of revenues.

TrueCorp released its first quarter results on 10 May. On proforma basis, total service revenues declined by 2% while EBITDA declined by 9% compared to the same quarter last year. The financial outlook for March-December 2023 is stable service revenues, flat to low single digit decline in EBITDA and capex in the range of THB 25-30 billion.

In Telenor Asia's results for the second quarter, net income from associated companies and JVs was slightly negative, as positive contributions from CelcomDigi and True Corporation were offset by write-down of investment in Telenor Microfinance Bank. Dividends received from CelcomDigi amounted to NOK 0.3 billion in the second quarter and NOK 0.6 billion so far this year.

Infrastructure

Business area Infrastructure includes the fully owned tower businesses in Norway, Sweden, and Finland.

NOK in million	Second quarter		YoY change		First half year		YoY change %		Year
	2023	2022	Reported	Organic	2023	2022	Reported	Organic	2022
Service revenues	-	-	-	-	-	-	-	-	-
Telenor Infra	628	599	5%	5%	1 277	1 187	8%	8%	2 680
Tower Sweden	80	68	18%	11%	159	136	17%	11%	269
DNA Towers	138	114	21%	4%	287	217	32%	16%	478
Total revenues	847	781	8%	5%	1 723	1 540	12%	9%	3 427
Opex	(172)	(164)	5%	3%	(339)	(321)	5%	4%	(662)
Telenor Infra	363	296	22%	22%	717	600	20%	20%	1 339
Tower Sweden	59	48	22%	15%	114	96	18%	12%	178
DNA Towers	85	75	13%	-4%	186	148	26%	11%	321
Other/eliminations	(2)	(1)	85%	n.m.	(3)	(3)	5%	n.m.	(7)
EBITDA before other items	505	419	20%	16%	1 015	842	20%	17%	1 830
Telenor Infra	298	234	28%	28%	588	481	22%	22%	1 099
Tower Sweden	43	32	33%	26%	82	63	30%	24%	114
DNA Towers	72	64	13%	-4%	161	125	29%	13%	274
Other/eliminations	13	13	-5%	n.m.	25	26	-1%	n.m.	49
EBITDA before other items and after lease depreciation	426	343	24%	20%	857	695	23%	20%	1 537
Operating profit	288	178	62%	n.m.	561	411	36%	n.m.	962
Capex excl. lease	205	223	-8%	n.m.	388	386	0%	n.m.	901

*n.m. stands for not measured

Overall, Infrastructure's performance continues to progress according to plan. The growth in total revenues was driven by a combination of price increases for power and lease, higher volumes, as well as contribution fees from customer projects. Total lease revenues increased by 3%, as increased demand related to 5G rollout was partly offset by the copper decommissioning in Norway and the 3G decommissioning in Sweden. External lease revenues increased by 10% driven by growth in all three countries.

Over the last years, modernisation of auxiliary equipment and upgrade of power supply for a large part of the mobile sites in Telenor's Nordic tower portfolio have enabled growth and more efficient operations.

Total energy consumption this quarter was down 9% compared to the same period last year. Higher consumption from 5G equipment was offset by switching off power for copper legacy equipment as well as energy saving initiatives. In Norway, electricity consumption for fixed and auxiliary equipment was around 25% lower than in the second quarter last year, demonstrating the positive impact on the environment from sunsetting old technologies. Energy cost in Norway in the period was down 27%, driven by lower spot prices and reduced consumption.

EBITDA before other items increased by 16%.

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

Amp

Telenor Amp is the company's spearhead into new areas, connected to Telenor's core business. It consists of the controlled companies Telenor Satellite, the IoT provider Connexion, Telenor Maritime, the global connectivity provider Linx, the smart building company BLDNG.AI, and the infrastructure company Norkring België, as well as several non-controlled investments, including the TV distributor Allente and the online classifieds company Carousell.

NOK in million	Second quarter		YoY change %		First half year		YoY change %		Year
	2023	2022	Reported	Organic	2023	2022	Reported	Organic	2022
Maritime	178	115	54%	54%	311	193	61%	61%	545
Connexion	263	209	26%	19%	505	402	26%	19%	835
Other/eliminations	(8)	(5)	-58%	n.m.	(14)	(8)	-78%	n.m.	(20)
Service revenues	432	319	36%	31%	802	587	37%	32%	1 360
Maritime	178	115	54%	54%	311	193	61%	61%	545
Connexion	263	209	26%	19%	505	402	26%	20%	835
Satellite	242	226	7%	7%	472	445	6%	6%	916
Linx	536	624	-14%	-14%	1 089	1 018	7%	7%	2 202
Other/eliminations	6	(23)	128%	n.m.	14	18	-23%	n.m.	28
Total revenues	1 225	1 151	6%	5%	2 391	2 076	15%	14%	4 525
Opex	(330)	(311)	6%	4%	(649)	(580)	12%	10%	(1 162)
Maritime	19	12	52%	52%	24	7	228%	228%	100
Connexion	101	63	60%	51%	178	116	54%	51%	253
Satellite	166	153	8%	8%	323	303	7%	7%	642
Linx	37	201	-82%	-82%	114	253	-55%	-55%	487
Other/eliminations	8	(12)	161%	n.m.	13	(9)	245%	n.m.	(8)
EBITDA before other items	330	417	-21%	-22%	653	670	-3%	-3%	1 473
Operating profit	175	295	-41%	n.m.	379	428	-12%	n.m.	995
Capex excl. lease	49	52	-7%	n.m.	95	99	-5%	n.m.	325
Allente	2	64	(62)	n.m.	6	111	(105)	n.m.	235
Others	(55)	(82)	27	n.m.	(102)	(179)	77	n.m.	(337)
Net income from associates and JVs	(53)	(18)	(35)	n.m.	(95)	(68)	(28)	n.m.	(102)
Dividends from associates and JVs	102	-	102	n.m.	102	-	102	n.m.	285

*n.m. stands for not measured

Amp's good performance continued in the second quarter, albeit at a lower year-on-year growth rate, as second quarter last year was positively impacted by a contract settlement.

Organic revenue growth, based on constant functional currency, was 5% in the second quarter. Telenor Connexion reported strong revenue growth, partly due to currency effects. Continued high SIM shipments also in the second quarter will aid future traffic revenues in Connexion. Telenor Maritime's revenues, also supported by positive currency development in the revenue mix, continue to grow at a high rate in comparison to the same period last year, when the cruise segment was still affected by the pandemic. Maritime's revenues are now trending above pre-pandemic levels. Telenor Satellite reported another quarter of profitable growth, while the revenue reduction in Linx was explained by a contract settlement last year. Amp's EBITDA decreased by 22% compared to the second quarter last year. Adjusted for the contract settlement last year, EBITDA improved by 29%.

In June 2022, Telenor Digital was merged in Telenor Global Services, which was later renamed to Telenor Linx. Reported numbers for 2022 for Linx have not been adjusted due to immaterial impact on EBITDA. Total for Amp remains unaffected due to this merger.



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

	Year	YTD	Target 2025
	2022	2023	
Reduction of absolute scope 1 and 2 GHG emissions from global operations (baseline year 2019)	7%	n.m.	57% (2030)
Share of supplier spend covered by science-based targets*	36%	46%	68%
Number of people trained in digital skills	3.0 m	3.5 m	6 m
Mobile internet users (% of active data users)*	55.8%	57.3%	68%
Closure rate non-conformities in the supply chain*	50%	88%	90%
Women in senior leadership positions*	34%	34%	40%
Lost time Injury Frequency (LTIF)	0.13	0.33	n.a.

*2022 figures restated excluding dtac.

During the second quarter the share of supplier spend covered by science-based targets increased from 44% to 46%. Telenor has worked consistently to engage with and influence suppliers to adopt to science-based targets. This quarter, Telenor took the next step by introducing the requirement for the largest suppliers to commit to setting science-based targets in order to be eligible for being awarded new or renewing existing contracts.

In June, Telenor signed a 10-year Power Purchase Agreement (PPA) with Statkraft that will secure around 80% of the power demand for our operations in Finland. The renewable electricity will be generated from a new wind farm which is expected to start its operation late 2024. In addition, DNA started to remove the legacy 3G network with the aim to close this network towards end of the year or early 2024, positively impacting energy consumption. The PPA in Finland is the third PPA Telenor has entered into in the Nordics, as PPAs for the operations in Norway and Denmark were signed in 2022. The renewable energy solution based on wind power for the Norwegian operation will start production towards end of 2023 or early 2024. In Denmark, the PPA is based on a solar energy plant, which will be operational by end of 2024. Both projects are progressing according to plan.

Telenor, Hafslund and HitecVision announced in June that they will establish a joint venture that will build secure and energy-efficient data centres in the Oslo area, in which they will own 31.7% each. The ambition is to design data centres with focus on sustainable solutions, like reusing excess heat and be a contributor to circular economy in the Oslo municipality.

Telenor Sweden trained 300 000 people in digital skills this quarter. A new project related to children’s rights and safety online was launched in cooperation with Plan International Sweden. The project’s objective is to ensure that children and youth are protected, more resilient and have a safe, sustainable digital life without fear of being violated online.

In June, Telenor refinanced a sustainability linked revolving credit facility. The new facility which matures in June 2028 is linked with the Group’s communicated climate ambitions, as well as the ambition for share of women in senior leadership roles.

The updated MSCI rating was released during the quarter, reiterating Telenor’s AAA score.

Risks and uncertainties



When operating across multiple markets, Telenor is exposed to a range of risks that may affect its business. Risks are prioritized based on materiality and risk management is crucial to reduce exposure to acceptable levels in a way that supports Telenor to achieve its ambitions and goals. The risks and uncertainties described below are expected to remain for the next six 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. The tension between China and Western countries continues to escalate where Western governments are ramping up pressure and restrictions against China's technology industry while China is trying to increase its influence and operations worldwide. In our Asian markets, we are observing deterioration of Pakistan's political and economic situation, which may increase the risk of civil unrest, security concerns and financial instability. In Bangladesh, the risk of political instability is increasing due to the upcoming elections. 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 economic slowdown caused by the war is increasing the risk of a recession in certain parts of the globe. Management is also observing high inflation in all markets, particularly in Pakistan. The macro-economic outlook for Pakistan remains challenging and the entity is still sensitive for impairment. 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. Telenor ASA seeks to

allocate debt based on equity market values in local currencies, predominantly EUR, USD, SEK and NOK. 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.

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

For additional explanations regarding risks and uncertainties, please refer to the following sections in Telenor's Annual Report 2022: the risk section in the Board of Directors' Report, Note 10 *Income taxes*, Note 18 *Impairment of assets*, Note 23 *Legal disputes and contingencies* and Note 31 *Capital and financial risk management*.

Disclaimer

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

Fornebu, 19 July 2023

The Board of Directors of Telenor ASA

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Consolidated income statement

Telenor Group

NOK in million	Note	Second quarter		First half year		Year
		2023	2022	2023	2022	2022
Revenues	3	20 224	19 247	39 411	37 678	76 877
Cost of materials and traffic charges		(4 679)	(4 406)	(9 346)	(8 647)	(17 819)
Salaries and personnel costs		(2 600)	(2 427)	(5 053)	(4 752)	(9 281)
Other operating expenses		(4 177)	(3 957)	(8 165)	(7 776)	(15 948)
Other income		11	118	19	1 919	1 945
Other expenses		(198)	(303)	(432)	(506)	(1 016)
EBITDA		8 580	8 271	16 433	17 917	34 758
Depreciation and amortisation		(4 205)	(4 328)	(8 225)	(8 581)	(17 114)
Impairment losses		-	(2 500)	-	(2 500)	(2 502)
Operating profit (loss)		4 374	1 443	8 209	6 836	15 143
Share of net income from associated companies and joint ventures	4	(100)	(67)	(291)	(172)	(301)
Net financial items		(1 986)	(2 440)	(5 679)	(2 337)	(5 503)
Profit (loss) before taxes		2 288	(1 064)	2 238	4 328	9 339
Income taxes		(717)	781	(906)	2 060	3 009
Profit (loss) from continuing operations		1 571	(283)	1 332	6 388	12 348
Profit (loss) from discontinued operations	5	(141)	(55)	18 623	524	35 230
Net income		1 431	(338)	19 955	6 912	47 578
Net income attributable to:						
Non-controlling interests		610	776	988	1 455	2 665
Equity holders of Telenor ASA		821	(1 113)	18 967	5 457	44 913
Earnings per share in NOK						
Basic/diluted from continuing operations		0.70	(0.52)	0.23	3.99	7.84
Basic/diluted from discontinued operations		(0.11)	(0.28)	13.41	(0.09)	24.25
Basic/diluted from total operations		0.59	(0.80)	13.64	3.90	32.09

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

Consolidated statement of comprehensive income

Telenor Group

NOK in million	Second quarter		First half year		Year
	2023	2022	2023	2022	2022
Net income	1 431	(338)	19 955	6 912	47 578
Translation differences on net investment in foreign operations	(255)	3 734	6 290	1 910	1 806
Amount reclassified from other comprehensive income to income statement on disposal	-	-	(4 031)	789	370
Net gain (loss) on hedge of net investment	(566)	(2 418)	(3 680)	(1 131)	(1 402)
Income taxes	125	532	810	249	308
Amount reclassified from other comprehensive income to income statement on disposal	-	-	889	-	233
Share of other comprehensive income (loss) of associated companies and joint ventures	13	(45)	(66)	8	46
Items that may be reclassified subsequently to income statement	(683)	1 803	212	1 825	1 361
Net gain (loss) on equity investments	16	65	35	66	157
Remeasurement of defined benefit pension plans	729	519	1 589	1 718	661
Income taxes	(161)	(114)	(350)	(378)	(138)
Items that will not be reclassified to income statement	584	470	1 274	1 406	680
Other comprehensive income (loss), net of taxes	(100)	2 273	1 485	3 231	2 041
Total Comprehensive Income	1 331	1 935	21 440	10 144	49 620
Total comprehensive income attributable to:					
Non-controlling interests	648	1 070	1 168	1 678	2 780
Equity holders of Telenor ASA	683	865	20 272	8 466	46 840

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

Consolidated statement of financial position

Telenor Group

NOK in million	Note	30 June 2023	31 December 2022	30 June 2022
Deferred tax assets		4 925	5 536	2 291
Goodwill		26 053	27 334	27 679
Intangible assets		9 690	9 689	10 309
Right-of-use assets		27 783	45 686	52 718
Property, plant and equipment		53 554	65 659	72 799
Associated companies and joint ventures	4	62 874	39 686	5 887
Other non-current assets		17 459	13 476	16 393
Total non-current assets		202 337	207 067	188 076
Prepaid taxes		745	1 491	1 633
Inventories		1 247	1 559	1 672
Trade and other receivables		15 580	18 842	22 851
Other current financial assets		832	361	606
Assets classified as held for sale	5	-	-	-
Cash and cash equivalents		12 523	9 929	9 412
Total current assets		30 927	32 182	36 174
Total assets		233 264	239 249	224 251
Equity attributable to equity holders of Telenor ASA		73 326	60 139	21 776
Non-controlling interests		5 626	4 237	5 284
Total equity		78 952	64 375	27 061
Non-current lease liabilities		13 897	24 417	29 066
Non-current interest-bearing liabilities	6	74 936	82 724	90 352
Non-current non-interest-bearing liabilities		1 375	1 772	1 857
Deferred tax liabilities		3 367	3 639	4 171
Pension obligations		1 734	1 919	2 304
Provisions and obligations		6 391	6 627	8 135
Total non-current liabilities		101 702	121 097	135 885
Current lease liabilities		4 201	6 674	7 474
Current interest-bearing liabilities	6	13 094	9 169	5 583
Trade and other payables		21 648	28 227	31 149
Dividend payable		6 102	-	6 018
Current tax payables		1 660	2 487	4 221
Current non-interest-bearing liabilities		1 516	1 694	1 391
Provisions and obligations		605	791	676
Liabilities classified as held for sale	5	3 784	4 735	4 793
Total current liabilities		52 610	53 777	61 305
Total equity and liabilities		233 264	239 249	224 251

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

Consolidated statement of cash flows

Telenor Group

NOK in million	Second quarter		First half year		Year
	2023	2022	2023	2022	2022
Profit before taxes from total operations ¹⁾	2 150	(721)	21 044	5 520	45 718
Income taxes paid	(1 777)	(1 546)	(2 694)	(2 985)	(5 977)
Net (gains) losses from disposals, impairments and change in fair value of financial assets and liabilities	452	(20)	(18 308)	(1 133)	(33 823)
Depreciation, amortisation and impairment losses	4 219	9 057	9 202	15 417	28 217
Loss (profit) from associated companies and joint ventures	100	68	292	172	303
Dividends received from associated companies	402	-	672	-	575
Currency (gains) losses not related to operating activities	456	2 537	2 903	2 568	3 737
Changes in working capital and other	(309)	215	(1 316)	(557)	473
Net cash flow from operating activities	5 693	9 590	11 795	19 003	39 222
Purchases of property, plant and equipment, intangible assets and prepayment for right-of-use assets	(3 604)	(5 665)	(8 367)	(10 156)	(19 298)
Purchases of subsidiaries, associated companies and joint ventures, net of cash acquired	(105)	(73)	(1 787)	(180)	(991)
Proceeds from disposal of PPE, intangible assets, associated companies and businesses, net of cash disposed	(215)	119	15 192	1 407	(4 463)
Proceeds from sale and purchases of other investments	18	127	(6 881)	352	1 607
Net cash flow from investing activities	(3 906)	(5 492)	(1 843)	(8 578)	(23 145)
Proceeds from and repayments of borrowings	5 422	(5 261)	5 361	(5 217)	(88)
Payments of lease liabilities related to spectrum licences	(884)	(655)	(1 734)	(1 529)	(2 483)
Payments of lease liabilities related to other lease contracts	(843)	(1 273)	(1 992)	(2 717)	(5 589)
Net payments of supply chain financing	7	(38)	(205)	(134)	21
Purchase of treasury shares	(247)	(28)	(1 733)	(28)	(27)
Dividends paid to and purchases of shares from non-controlling interests	(584)	(1 276)	(874)	(1 600)	(2 803)
Dividends paid to equity holders of Telenor ASA	(6 923)	(6 997)	(6 923)	(6 997)	(13 015)
Net cash flow from financing activities	(4 052)	(15 528)	(8 100)	(18 221)	(23 984)
Effects of exchange rate changes on cash and cash equivalents	150	220	590	80	600
Net change in cash and cash equivalents	(2 116)	(11 209)	2 442	(7 716)	(7 306)
Cash and cash equivalents at the beginning of the period	14 236	20 479	9 677	16 985	16 985
Cash and cash equivalents at the end of the period ²⁾	12 120	9 269	12 120	9 269	9 677

¹⁾ Profit before taxes from total operations consists of:

Profit before taxes from continuing operations	2 288	(1 064)	2 238	4 328	9 339
Profit before taxes from discontinued operations	(138)	343	18 806	1 192	36 378
Profit before taxes from total operations	2 150	(721)	21 044	5 520	45 718

²⁾ As of 30 June 2023, restricted cash was NOK 13.5 million, while as of 30 June 2022, restricted cash was NOK 10.5 million.

Cash flow from discontinued operations ³⁾

NOK in million	Second quarter		First half year		Year
	2023	2022	2023	2022	2022
Net cash flow from operating activities	-	3 068	(502)	6 483	13 430
Net cash flow from investing activities	(158)	(1 467)	4 047	(4 380)	(12 533)
Net cash flow from financing activities	-	(1 315)	(624)	(2 133)	300
Total cash flows from discontinued operations	(158)	286	2 921	(30)	1 196
Effects of exchange rate changes on cash and cash equivalents	-	157	107	131	177
Net cash flows from discontinued operations	(158)	444	3 028	100	1 374

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

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

Consolidated statement of changes in equity

Telenor Group

NOK in million	Attributable to equity holders of the parent				Total	Non-controlling interests	Total equity
	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences			
Equity as of 1 January 2022	8 466	(21 530)	43 981	(4 627)	26 294	5 206	31 500
Net income for the period	-	-	44 913	-	44 913	2 665	47 578
Other comprehensive income for the period	-	723	-	1 204	1 927	114	2 041
Total comprehensive income for the period	-	723	44 913	1 204	46 840	2 780	49 620
Transactions with non-controlling interests	-	-	(42)	-	(42)	(590)	(632)
Dividends	-	-	(13 015)	-	(13 015)	(3 159)	(16 174)
Share - based payment, exercise of share options and distribution of shares	-	61	-	-	61	-	61
Equity as of 31 December 2022	8 466	(20 746)	75 837	(3 422)	60 139	4 237	64 375
Net income for the period	-	-	18 967	-	18 967	988	19 955
Other comprehensive income for the period	-	1 208	-	98	1 306	180	1 485
Total comprehensive income for the period	-	1 208	18 967	98	20 272	1 168	21 440
Transactions with non-controlling interests	-	-	7 621	-	7 621	1 110	8 731
Dividends	-	-	(13 017)	-	(13 017)	(888)	(13 905)
Share buy back	(87)	(1 639)	-	-	(1 726)	-	(1 726)
Share - based payment, exercise of share options and distribution of shares	-	38	-	-	38	-	38
Equity as of 30 June 2023	8 378	(21 140)	89 407	(3 325)	73 326	5 626	78 952

NOK in million	Attributable to equity holders of the parent				Total	Non-controlling interests	Total equity
	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences			
Equity as of 1 January 2022	8 466	(21 530)	43 981	(4 627)	26 294	5 206	31 500
Net income for the period	-	-	5 457	-	5 457	1 455	6 912
Other comprehensive income for the period	-	1 414	-	1 595	3 009	222	3 231
Total comprehensive income for the period	-	1 414	5 457	1 595	8 466	1 678	10 144
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	3	3
Dividends	-	-	(13 015)	-	(13 015)	(1 602)	(14 617)
Share - based payment, exercise of share options and distribution of shares	-	31	-	-	31	-	31
Equity as of 30 June 2022	8 466	(20 085)	36 423	(3 032)	21 777	5 284	27 061

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

Notes to the interim consolidated financial statements

Note 1 – Company information and basis of preparation

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

Basis of preparation

The consolidated financial statements of Telenor (referred to as “the group”) comprise the parent company and its subsidiaries in addition to its interests in associated companies and joint arrangements. As a result of rounding differences, numbers or percentages may not add up to the total.

These interim condensed consolidated financial statements for the six months ending 30 June 2023 have been prepared in accordance with IAS 34 *Interim financial reporting*. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with Telenor’s annual financial statements for 2022 (Annual Report 2022). Key developments in risks and uncertainties are described in the section Risks and uncertainties on page 20 of this report.

Accounting policies

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

Telenor has changed presentation of certain items from “other operating expenses” to “cost of materials and traffic

charges” in the income statement from 1 January 2023 to better reflect the nature of the items. Comparative figures have been updated. The impact of this change in 2022 was NOK 413 million for the full year, NOK 180 million in Q2 and NOK 264 million for first half year.

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

Amalgamation of dtac and True

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

Note 2 – Segments

Telenor has four operating segments. The mobile and fixed line businesses are reported in the Nordic and Asia segments. The Infrastructure segment consists of certain passive infrastructure in the Nordic countries, and the portfolio of adjacent businesses and companies are reported in the Amp segment. These segments are new in Q1 2023 following a reorganization of Telenor.

Operating segments

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

Nordics

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

Asia

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

in the segment information, see note 4 for more information about discontinued operations.

Infrastructure

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

Amp

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

Other

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

Second quarter

NOK in million	Total revenues			of which internal		EBITDA before other income and other expenses ¹⁾				Capex excl. lease	
	2023	2022	Growth	2023	2022	2023	Margin	2022	Margin	2023	2022
Nordics	14 045	13 000	8.0 %	167	175	5 722	40.7 %	5 350	41.2 %	2 407	2 434
Asia	5 120	5 374	-4.7 %	176	136	2 887	56.4 %	3 026	56.3 %	772	743
Infrastructure	847	781	8.5 %	649	611	505	59.6 %	419	53.7 %	205	223
Amp	1 225	1 151	6.5 %	113	160	330	26.9 %	417	36.2 %	49	52
Other	374	473	-20.9 %	282	449	(124)	-33.1 %	(107)	-22.7 %	4	(1)
Eliminations	(1 387)	(1 531)	-9.4 %	(1 387)	(1 531)	(553)	39.9 %	(648)	42.3 %	-	-
Group	20 224	19 247	5.1 %	-	-	8 767	43.4 %	8 456	43.9 %	3 437	3 452

First half year

NOK in million	Total revenues			of which internal		EBITDA before other income and other expenses ¹⁾				Capex excl. lease	
	2023	2022	Growth	2023	2022	2023	Margin	2022	Margin	2023	2022
Nordics	27 557	25 654	7.4 %	327	320	11 055	40.1 %	10 555	41.1 %	4 942	4 518
Asia	9 831	10 470	-6.1 %	322	273	5 511	56.1 %	5 946	56.8 %	1 542	1 364
Infrastructure	1 723	1 540	11.8 %	1 336	1 208	1 015	58.9 %	842	54.7 %	388	386
Amp	2 391	2 076	15.1 %	235	311	653	27.3 %	670	32.3 %	95	99
Other	700	940	-25.5 %	571	889	(241)	-34.4 %	(184)	-19.6 %	4	-
Eliminations	(2 791)	(3 001)	-7.0 %	(2 791)	(3 001)	(1 146)	41.1 %	(1 325)	44.1 %	-	-
Group	39 411	37 678	4.6 %	-	-	16 846	42.7 %	16 504	43.8 %	6 971	6 368

Year 2022

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

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

²⁾ Investments consist of capex and investments in businesses, see page 44 for alternative performance measures.

Reconciliation of consolidated profit before tax and segment EBITDA

NOK in million	Second quarter		First half year		Year
	2023	2022	2023	2022	2022
Profit (loss) before taxes	2 288	(1 064)	2 238	4 328	9 339
Share of net income from associate companies and joint ventures	(100)	(67)	(291)	(172)	(301)
Net financial items	(1 986)	(2 440)	(5 679)	(2 337)	(5 503)
Operating profit (loss)	4 374	1 443	8 209	6 836	15 143
Depreciation and amortisation	(4 205)	(4 328)	(8 225)	(8 581)	(17 114)
Impairment losses	-	(2 500)	-	(2 500)	(2 502)
EBITDA	8 580	8 271	16 433	17 917	34 758
Other income	11	118	19	1 919	1 945
Other expenses	(198)	(303)	(432)	(506)	(1 016)
EBITDA before other income and other expenses	8 767	8 456	16 846	16 504	33 830

Note 3 – Revenues

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

Disaggregation of revenues

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

Second quarter 2023

	Mobile operations	Fixed operations	Other revenues from rendering of services ¹⁾	Total revenues from rendering of services ²⁾	Sale of handset and other devices ³⁾	Total revenues from contracts with customers (IFRS 15)	Operating lease revenues (IFRS 16)	Total revenues
NOK in millions								
Telenor Norway	3 531	2 214	-	5 745	499	6 244	85	6 329
Telenor Sweden	1 850	856	-	2 706	397	3 103	56	3 159
Telenor Denmark	1 076	161	-	1 236	297	1 533	8	1 542
DNA Finland	1 826	652	-	2 478	508	2 986	9	2 995
Other/eliminations	(13)	(26)	59	20	(0)	20	(0)	20
Nordics	8 271	3 856	59	12 186	1 701	13 886	159	14 045
Grameenphone - Bangladesh	3 956	-	-	3 956	1	3 957	49	4 006
Telenor Pakistan	1 070	-	-	1 070	2	1 072	29	1 101
Other/eliminations	-	-	13	13	-	13	-	13
Asia	5 026	-	13	5 038	3	5 041	78	5 120
Infrastructure	-	-	31	31	-	31	816	847
Amp	-	789	436	1 225	-	1 225	-	1 225
Other	-	-	332	332	-	332	42	374
Eliminations	(243)	(117)	(361)	(721)	(1)	(722)	(665)	(1 387)
Group	13 053	4 529	510	18 091	1 702	19 794	430	20 224

- 1) Other revenues from rendering of services includes Internet of Things (IoT) in non-mobile operations, tower revenues and other non-core business revenues. Refer to definitions on page 44.
- 2) Service revenues as reported in APM is not comparable with total revenues from rendering of services disclosed in this note as operating lease revenues are excluded and service revenues from other operators are included in the table above.
- 3) Revenues from handsets and other devices are recognised at point in time. Remaining revenue from contracts with customers are recognised over time.

First half year 2023

	Mobile operations	Fixed operations	Other revenues from rendering of services ¹⁾	Total revenues from rendering of services ²⁾	Sale of handset and other devices ³⁾	Total revenues from contracts with customers (IFRS 15)	Operating lease revenues (IFRS 16)	Total revenues
<i>NOK in millions</i>								
Telenor Norway	7 042	4 402	-	11 445	1 040	12 484	171	12 655
Telenor Sweden	3 593	1 667	-	5 260	778	6 038	103	6 141
Telenor Denmark	2 022	312	-	2 334	625	2 959	17	2 975
DNA Finland	3 530	1 232	-	4 762	969	5 731	17	5 747
Other/eliminations	(24)	(56)	118	38	(0)	38	-	38
Nordics	16 164	7 557	118	23 839	3 410	27 249	308	27 557
Grameenphone - Bangladesh	7 529	-	-	7 529	3	7 532	94	7 626
Telenor Pakistan	2 110	-	-	2 110	4	2 114	61	2 174
Other/eliminations	-	-	31	31	-	31	-	31
Asia	9 639	-	31	9 670	6	9 677	155	9 831
Infrastructure	-	-	59	59	-	59	1 664	1 723
Amp	-	1 581	809	2 391	-	2 391	-	2 391
Other	-	-	617	617	-	617	83	700
Eliminations	(455)	(267)	(699)	(1 421)	(4)	(1 425)	(1 366)	(2 791)
Group	25 348	8 872	935	35 155	3 413	38 568	843	39 411

- 1) Other revenues from rendering of services includes Internet of Things (IoT) in non-mobile operations, tower revenues and other non-core business revenues. Refer to definitions on page 44.
- 2) Service revenues as reported in APM is not comparable with total revenues from rendering of services disclosed in this note as operating lease revenues are excluded and service revenues from other operators are included in the table above.
- 3) Revenues from handsets and other devices are recognised at point in time. Remaining revenue from contracts with customers are recognised over time.

Second quarter 2022

	Mobile operations	Fixed operations	Other revenues from rendering of services ¹⁾	Total revenues from rendering of services ²⁾	Sale of handset and other devices ³⁾	Total revenues from contracts with customers (IFRS 15)	Operating lease revenues (IFRS 16)	Total revenues
<i>NOK in millions</i>								
Telenor Norway	3 476	2 231	-	5 707	568	6 275	83	6 357
Telenor Sweden	1 664	794	-	2 458	403	2 861	34	2 895
Telenor Denmark	923	129	-	1 051	282	1 333	7	1 340
DNA Finland	1 481	553	-	2 035	376	2 411	7	2 419
Other/eliminations	(37)	(17)	43	(11)	(0)	(11)	(0)	(11)
Nordics	7 507	3 690	43	11 240	1 629	12 869	131	13 000
Grameenphone - Bangladesh	3 966	-	-	3 966	11	3 977	47	4 024
Telenor Pakistan	1 258	-	-	1 258	4	1 262	36	1 297
Other/eliminations	-	-	53	53	-	53	-	53
Asia	5 224	-	53	5 277	14	5 291	83	5 374
Infrastructure	-	-	23	23	-	23	757	781
Amp	-	860	291	1 151	-	1 151	-	1 151
Other	-	-	434	434	-	434	38	473
Eliminations	(203)	(185)	(509)	(898)	(2)	(900)	(631)	(1 531)
Group	12 528	4 365	335	17 228	1 641	18 869	378	19 247

- 1) Other revenues from rendering of services includes Internet of Things (IoT) in non-mobile operations, tower revenues and other non-core business revenues. Refer to definitions on page 44.
- 2) Service revenues as reported in APM is not comparable with total revenues from rendering of services disclosed in this note as operating lease revenues are excluded and service revenues from other operators are included in the table above.
- 3) Revenues from handsets and other devices are recognised at point in time. Remaining revenue from contracts with customers are recognised over time.

First half year 2022

	Mobile operations	Fixed operations	Other revenues from rendering of services ¹⁾	Total revenues from rendering of services ²⁾	Sale of handset and other devices ³⁾	Total revenues from contracts with customers (IFRS 15)	Operating lease revenues (IFRS 16)	Total revenues
<i>NOK in millions</i>								
Telenor Norway	6 806	4 455	-	11 261	1 079	12 340	165	12 505
Telenor Sweden	3 241	1 587	-	4 828	830	5 658	66	5 725
Telenor Denmark	1 821	254	-	2 075	567	2 642	13	2 655
DNA Finland	2 927	1 078	-	4 005	756	4 761	15	4 776
Other/eliminations	(60)	(34)	87	(7)	0	(6)	(0)	(6)
Nordics	14 735	7 340	87	22 162	3 233	25 395	259	25 654
Grameenphone - Bangladesh	7 653	-	-	7 653	14	7 667	92	7 759
Telenor Pakistan	2 533	-	-	2 533	6	2 539	71	2 610
Other/eliminations	-	-	101	101	-	101	-	101
Asia	10 186	-	101	10 287	20	10 307	163	10 470
Infrastructure	-	-	43	43	-	43	1 497	1 540
Amp	-	1 482	594	2 076	-	2 076	-	2 076
Other	-	-	868	868	-	868	71	940
Eliminations	(384)	(298)	(1 068)	(1 750)	(3)	(1 753)	(1 248)	(3 001)
Group	24 537	8 524	625	33 686	3 249	36 936	743	37 678

- 1) Other revenues from rendering of services includes Internet of Things (IoT) in non-mobile operations, tower revenues and other non-core business revenues. Refer to definitions on page 44.
- 2) Service revenues as reported in APM is not comparable with total revenues from rendering of services disclosed in this note as operating lease revenues are excluded and service revenues from other operators are included in the table above.
- 3) Revenues from handsets and other devices are recognised at point in time. Remaining revenue from contracts with customers are recognised over time.

Year 2022

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

- 1) Other revenues from rendering of services includes Internet of Things (IoT) in non-mobile operations, tower revenues and other non-core business revenues. Refer to definitions on page 44.
- 2) Service revenues as reported in APM is not comparable with total revenues from rendering of services disclosed in this note as operating lease revenues are excluded and service revenues from other operators are included in the table above.
- 3) Revenues from handsets and other devices are recognised at point in time. Remaining revenue from contracts with customers are recognised over time.

Note 4 – Associated companies and joint ventures

In March 2023, the amalgamation in Thailand between dtac and True was concluded and resulted in Telenor having a 30.2% ownership interest in the listed company True Corporate Public Company Ltd as of 30 June 2023. The associate CelcomDigi in Malaysia is a result of the merger between Digi and Celcom in the fourth quarter 2022. The results of these two entities are reported with one quarter lag, meaning limited periods are included in the first half of 2023.

Associates and joint ventures

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

NOK in millions	30 June 2023	31 December 2022	30 June 2022
Balance as of 1 January	39 686	5 683	5 683
Additions	22 288	35 089	177
Disposals ¹⁾	(67)	(432)	-
Impairment ²⁾	(376)	-	-
Share of net income (losses) ³⁾	85	(230)	(172)
Share of other comprehensive income	(66)	46	8
Dividends received	(672)	(575)	(0)
Translation differences	1 997	106	193
Closing balance	62 874	39 688	5 888
Of which investment in CelcomDigi ⁴⁾	35 468	34 436	-
Of which investment in True Corporation Public Limited (direct interest) ⁵⁾	22 612	-	-
Of which investment in Carousell	2 834	2 660	2 773
Of which investment in Allente	1 287	1 369	1 432
Of which investment in Telenor Microfinance Bank Limited	367	828	902
Of which investment in others	306	394	781

¹⁾ Mainly relates to discontinuance of dtac in first quarter and disposal of Wave Money during 2022.

²⁾ As of 30 June 2023 an impairment of NOK 376 million was recognised for Telenor Microfinance Bank Limited.

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

⁴⁾ Of which allocated to goodwill NOK 21.6 billion as of 30 June 2023.

⁵⁾ Of which allocated to goodwill NOK 14.4 billion as of 30 June 2023.

Significant events in 2023

On 1 March 2023, the amalgamation of the telecom operations True Corporation Public Company Ltd (True) and Total Access Communication Public Company Ltd (dtac) was completed. The previous shares in True and dtac were converted to shares in the newly established company True Corporation Public Company Ltd (True), with a conversion rate of 0.60018 and 6.13444, respectively. Telenor's previous ownership interest in dtac corresponds to an ownership interest in True of 27.3%. In addition, Telenor has acquired shares for NOK 2.9 billion, bringing the ownership interest in True to 30.2%. The ownership is structured into direct ownership and indirect ownership through joint ventures owned together with Charoen Pokphand Group (CP Group). As of 30 June 2023, Telenor ownership is divided into 26.3% direct ownership and 3.9% indirect ownership. The joint ventures are funded with debt by Telenor and CP Group. Due to the decline in the market value of True, the receivable towards the joint venture have been reduced with NOK 479 million to reflect this decline. The carrying amount of the receivable as of 30 June 2023 is NOK 2.7 billion.

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

True (associate)

True is an associated company where Telenor has a direct ownership of 26.3% and an indirect ownership through a joint venture of 3.9%, in total an ownership interest of 30.2%. The associate is accounted for using the equity method. True is a telecommunication company, listed on the Stock Exchange of Thailand. Telenor's share of True's market value, including the indirect ownership, amounted to NOK 20.7 billion as of 30 June 2023.

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

As the financial quarterly results of the listed company True are not published at the time Telenor reports its quarterly results, Telenor will include the share of profits from True with a one quarter lag. This means that the first quarter results of True consisting of the month of March 2023, together with the statement of financial position, is included in Telenor's first half 2023 report. Telenor's share of profit for March reflects Telenor's relative direct ownership share during the month of March of 20.1%, which consists of 19.6% directly owned shares through the entire month and 1.3% acquired 21 March 2023.

The following tables sets forth the summarised financial information of True, including the preliminary allocation of the excess values recognised as part of the merger, and reconciliation with the carrying amount of the investment for the Group.

NOK in millions	Second quarter	First half year
	2023	2023
Statement of comprehensive income		
Revenue	5 416	5 416
EBITDA	2 567	2 567
Depreciation and amortization	(1 649)	(1 649)
Net financial items	(620)	(620)
Income tax expense	(109)	(109)
Net income	189	189
Other comprehensive income(loss)	(13)	(13)
Total comprehensive income (loss)	176	176
Group's relative ownership in %	20.1	20.1
Group's share of net income	38	38
Group's share of other comprehensive income (loss)	(3)	(3)
Group's share of total comprehensive income (loss)	35	35

NOK in millions	30 June 2023
Statement of financial position	
Non-current assets	207 210
Current assets excluding cash and cash equivalents	24 711
Cash and cash equivalents	8 251
Non-current non-interest bearing liabilities	(7 531)
Non-current interest bearing liabilities	(128 591)
Current non-interest bearing liabilities	(72 904)
Non-controlling interests	(130)
Total equity to shareholders of parent company	31 015
Group's share of equity	8 163
Goodwill related to the Group's investment	14 448
Carrying amount of investment	22 612
Dividends received	-

CelcomDigi (associate)

CelcomDigi is an associated company where Telenor controls 33.1% of the shares and voting rights. The associate is accounted for using the equity method. CelcomDigi is a telecommunication company, listed on Bursa Malaysia Berhad. Telenor share of CelcomDigi's market value amounted to NOK 36.9 billion as of 30 June 2023.

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

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

The following tables sets forth the summarised financial information of CelcomDigi, including the preliminary allocation of the excess values recognised as part of the merger, and reconciliation with the carrying amount of the investment for the Group.

NOK in millions	Second quarter	First half year
	2023	2023
Statement of comprehensive income		
Revenue	7 492	10 046
EBITDA	3 556	4 420
Depreciation and amortization ¹⁾	(2 239)	(3 191)
Net financial items	(346)	(472)
Income tax expense	(302)	(282)
Net income	669	475
Other comprehensive income(loss)	-	-
Total comprehensive income (loss)	669	475
Group's relative ownership in %	33.1	33.1
Group's share of net income	221	157
Group's share of other comprehensive income (loss)	-	-
Group's share of total comprehensive income (loss)	221	157

¹⁾ Of which Telenor specific excess value amortisation of NOK 37 million for the second quarter and NOK 49 million for the first half year.

NOK in millions	30 June 2023	31 December 2022
Statement of financial position		
Non-current assets	79 649	77 836
Current assets excluding cash and cash equivalents	8 546	9 593
Cash and cash equivalents	1 361	7 744
Non-current non-interest bearing liabilities	(4 702)	(6 978)
Non-current interest bearing liabilities	(24 473)	(33 310)
Current non-interest bearing liabilities	(18 100)	(8 194)
Non-controlling interests	(240)	-
Total equity to shareholders of parent company	42 043	46 691
Group's share of equity	13 916	15 455
Goodwill related to the Group's investment	21 552	18 981
Carrying amount of investment	35 468	34 436
Dividends received	570	289

Allente (joint venture)

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

The following tables sets forth summarised financial information of Allente, including excess values, and reconciliation with the carrying amount of the investment for the Group:

NOK in millions	Second quarter		First half year		Year
	2023	2022	2023	2022	2022
Statement of comprehensive income					
Revenue	1 653	1 634	3 268	3 225	6 472
EBITDA	171	304	349	547	1 181
Depreciation and amortization	(270)	(245)	(560)	(491)	(1 052)
Net financial items	(32)	(19)	(55)	(21)	(62)
Income tax expense	-	(35)	(1)	(59)	(123)
Net income	4	128	13	222	470
Other comprehensive income(loss)	33	(85)	(127)	23	83
Total comprehensive income (loss)	37	43	(114)	245	553
Group's relative ownership in %	50	50	50	50	50
Group's share of net income	2	64	6	111	235
Group's share of other comprehensive income (loss)	16	(43)	(63)	11	42
Group's share of total comprehensive income (loss)	18	21	(57)	122	277

NOK in millions	30 June 2023	31 December 2022	30 June 2022
Statement of financial position			
Non-current assets	4 303	4 401	4 691
Current assets excluding cash and cash equivalents	1 757	1 781	1 871
Cash and cash equivalents	211	144	335
Non-current non-interest bearing liabilities	(423)	(442)	(467)
Non-current interest bearing liabilities	(2 091)	(1 948)	(2 107)
Current non-interest bearing liabilities	(1 999)	(1 971)	(2 249)
Total equity to shareholders of parent company	1 757	1 964	2 074
Group's share of equity	879	982	1 037
Goodwill related to the Group's investment	408	387	395
Carrying amount of investment	1 287	1 369	1 432
Dividends received	100	285	95

Note 5 – Discontinued operations and assets held for sale

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

Discontinued operations

Discontinued operations represent a separate major line of business that has been disposed. Discontinued operations are excluded from the results of continuing operations and are presented on a single line after tax in the income statement. Discontinued operations are also excluded from the segment reporting.

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

NOK in million	Second quarter		First half year		Year
	2023	2022	2023	2022	2022
Revenue	-	8 789	3 974	18 385	35 457
EBITDA	-	3 850	1 340	8 032	15 001
EBIT	-	1 621	363	3 696	6 406
Profit (loss) before tax	-	1 286	208	3 033	5 130
Income taxes	-	(398)	(183)	(668)	(1 149)
Profit (loss) after tax	-	888	25	2 365	3 982
Gain (loss) on disposal after tax	(141)	(943)	18 598	(1 841)	31 248
Profit (loss) from discontinued operations	(141)	(55)	18 623	524	35 230
Non-controlling interest	9	340	(19)	657	1 295

The loss on disposal recognised in the second quarter 2023 are mainly related to Telenor India for accrual of incremental interest and currency effect on Adjusted Gross Revenue (AGR) provision against Department of Telecommunication (DoT) in India. The losses on disposal recognised during second quarter 2022 was related to Telenor India following a reassessment of AGR provision against demand from DoT in India.

The gain on disposal recognised in the first half year 2023 are mainly related to dtac and gain adjustment from Digi. The losses on disposal recognised during first half year 2022 was mainly related to Telenor Myanmar and Telenor India.

dtac

On 1 March 2023, the amalgamation of the telecom operations True Corporation Public Company Ltd (True) and Total Access Communication Public Company Ltd (dtac) was completed. The name of the new company is True Corporation Public Company Ltd (True), which is listed on the stock exchange in Thailand. On completion, the shares in dtac were converted to shares in True leading to a loss of control in dtac. See note 4 for further information about the transaction.

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

Due to True being a listed company in Thailand and did not publish its first quarter 2023 results before Telenor's publication, the first quarter 2023 gain was combined with the net income from dtac for the period January and February 2023. The split between gain and net income is presented in the first half 2023 report for Telenor.

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

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

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

NOK in million	Second quarter		First half year		Year
	2023	2022	2023	2022	2022
Revenue	-	5 466	3 974	10 846	22 076
EBITDA	-	2 188	1 340	4 179	8 358
EBIT	-	629	363	1 141	2 203
Profit (loss) before tax	-	437	208	761	1 393
Income taxes	-	(90)	(183)	(19)	(95)
Profit (loss) after tax	-	346	25	742	1 298
Gain (loss) on disposal after tax	9	-	18 522	-	-
Profit (loss) from discontinued operations	9	346	18 547	742	1 298
Non-controlling interest	9	94	(19)	162	296

The gain recognised during first half of 2023 is adjusted with the difference between first quarter 2023 recognised gain and first quarter 2023 published result of True Corporation.

Digi

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

The gain recognised on the date of losing control over Digi amounts to NOK 32.7 billion, based on a market value of the combined entity as of opening 1 December 2022, which was NOK 34.1 billion for Telenor's interest in the new company CelcomDigi. A gain of NOK 450 million related to cumulative translation differences and a loss of NOK 233 million related to net investment hedge items, previously recognised in other comprehensive income, were reclassified and included in the gain calculation. The success fee to advisors of NOK 155 million was included in the gain calculation.

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

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

NOK in million	Second quarter		First half year		Year
	2023	2022	2023	2022	2022
Revenue	-	3 323	-	6 521	12 362
EBITDA	-	1 662	-	3 236	6 026
EBIT	-	992	-	1 939	3 586
Profit (loss) before tax	-	850	-	1 670	3 136
Income taxes	-	(308)	-	(599)	(1 004)
Profit (loss) after tax	-	542	-	1 071	2 132
Gain (loss) on disposal after tax	-	-	290	-	32 652
Profit (loss) from discontinued operations	-	542	290	1 071	34 784
Non-controlling interest	-	246	-	495	999

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

Telenor Myanmar

On 25 March 2022, Telenor completed the sale of Telenor Myanmar following the regulatory approval given 17 March 2022. In line with the sales and purchase agreement, Telenor received USD 50 million (NOK 0.5 billion) at closing and paid USD 4 million as transaction cost. The remaining USD 55 million was agreed to be received in equal instalments over the coming 5 years. The deferred payment was not recognised on closing due to the uncertain situation in Myanmar.

During third quarter 2022, Telenor received USD 28 million (NOK 0.3 billion) from M1 Group as a final settlement of the transaction, which represented the present value of the remaining USD 55 million deferred payment. The received deferred payment was recognised in the third quarter 2022. The transaction impacted the equity of Telenor Group

positively with NOK 0.2 billion. However, the reclassification of accumulated losses related to translation differences earlier recognised in other comprehensive income impacted the income statement negatively with approximately NOK 0.8 billion, resulting in a net loss on disposal of NOK 0.6 billion. The derecognition of the cash balance in Telenor Myanmar and the total proceeds received resulted in a net negative cash flow impact of around NOK 1.4 billion in 2022.

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

NOK in million	Second quarter		First half year		Year
	2023	2022	2023	2022	2022
Revenue	-	-	-	1 018	1 018
EBITDA	-	-	-	617	617
EBIT	-	-	-	617	617
Profit (loss) before tax	-	-	-	602	602
Income taxes	-	-	-	(50)	(50)
Profit (loss) after tax	-	-	-	553	553
Gain (loss) on disposal after tax	-	-	-	(857)	(589)
Profit (loss) from discontinued operations	-	-	-	(304)	(36)

Telenor India

On 23 February 2017, the Group entered into an agreement with Bharti Airtel Limited (Airtel), whereby Airtel would take full ownership of Telenor India. The transaction was completed 14 May 2018. The exposure to claims related to the period Telenor owned the business remains with Telenor. A guarantee to Airtel was recognised at fair value as of closing date of the transaction, and subsequent changes to the estimate are recognised on the discontinued operations line in the income statement. For further information about the dispute in India, see note 23 in the Annual Report 2022.

Assets held for sale

The major classes of liabilities of the disposal groups classified as held for sale as of 30 June 2023 represents Telenor India. In the first quarter 2023, Telenor paid NOK 1.5 billion related to the disputed items with Department of Telecommunications in India, reducing the provision accordingly.

As of each closing date below, Telenor India represents the major classes of liabilities (there are no assets held for sale):

NOK in million	30 June	30 June	31 December
	2023	2022	2022
Liabilities			
Non-current liabilities	-	-	-
Current liabilities	3 784	4 793	4 735
Total liabilities held for sale	3 784	4 793	4 735

Amounts included in OCI

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

NOK in million	30 June	30 June	31 December
	2023	2022	2022
Digi	-	432	-
Dtac	-	(3 682)	(3 802)
Telenor India	(987)	(136)	(636)
Total gain (loss)	(987)	(3 385)	(4 438)

Note 6 – Interest-bearing liabilities

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

Interest-bearing liabilities

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

NOK in million	30 June 2023	
	Carrying amount	Fair value
Interest-bearing liabilities ¹⁾	(88 030)	(79 277)
of which fair value level 1	-	(75 627)
of which fair value level 2	-	(3 650)

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

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

1) Excluding lease liabilities

Note 7 – Fair value of financial instruments

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

Financial derivatives are recognised at fair value based on observable market data (level 2). See note 32 in the Annual Report 2022 for valuation methodologies. The financial derivatives are classified in the consolidated statement of financial position as disclosed in the table:

NOK in million	30 June	31 December	30 June
	2023	2022	2022
Other non-current assets	1 623	986	494
Other current financial assets	507	33	263

Non-current non-interest-bearing financial liabilities	(1 030)	(1 455)	(1 561)
Non-current interest-bearing financial liabilities	(4 020)	(3 652)	(2 290)
Current non-interest-bearing liabilities	(448)	(386)	(263)
Current interest-bearing liabilities	-	(10)	-
Total	(3 367)	(4 485)	(3 357)

Note 8 – Equity information

Significant transactions with non-controlling interests

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

Partial disposal of Telenor Fiber AS

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

Deconsolidation of dtac

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

Share buyback

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

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

Dividend

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

Note 9 – Uncertain tax positions

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

Telenor ASA - India guarantee

On 19 June 2023, Telenor ASA received a ruling from the Appeal Court (Borgarting Lagmannsrett) regarding the appeal of tax deductibility of losses on the India guarantee for Unitech. The ruling was mainly favourable for Telenor as it upheld the decision by the District Court (Tingretten) that the losses of NOK 9.2 billion are tax deductible. The timing for tax deduction of the losses was changed from 2013 to 2015. This resulted in lower tax deduction of NOK 221 million due to declining tax rates. The deadline to file an appeal is 24th August 2023. Refer to the Annual Reports 2022 note 10 for more information.

Grameenphone (GP) – NBR claims under BTRC audit

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

Note 10 – Legal disputes

Telenor is subject to various legal proceedings, disputes and claims including regulatory discussions related to its business, licences and investments. Management makes a provision for legal disputes when an unfavourable outcome is probable and a reliable estimate can be made. Legal disputes with significant developments since year-end are summarised in this note.

Grameenphone – BTRC Audit

The Bangladesh Telecommunications Regulatory Commission (BTRC) has over several years conducted an information system audit of Grameenphone for the period 1997 to 2014. On 2 April 2019, Grameenphone received a demand notice from BTRC for payment of NOK 8.1 billion to BTRC (NOK 2.2 billion in principal and NOK 5.9 billion in interest), including some matters pending in ongoing formal resolution processes (subjudice). These claims are unjustified from Telenor's and Grameenphone's position.

In addition, BTRC has unauthorised and erroneously claimed NOK 3.9 billion, which mainly is related to an already resolved matter and other sub-judice matters with the National Board of Revenue (NBR). With the ADR settlements as described in note 9, GP considers that the NBR claims under the BTRC audit demands related to corporate tax have been resolved.

The total demand amounts to NOK 12.0 billion (the Demand). Overall, the Demand is based on allegations that Grameenphone has, amongst other things, underpaid various taxes, such as corporate taxes, SIM tax, VAT, and revenue share from its mobile operation. The Demand is comprised of claims against 26 line items, of which 22 line items are related to BTRC matters and no provision has been recorded based on the Demand dated 2 April 2019, as such. The other four line items, of which two has been resolved as described in note 9, are related to NBR matters where Telenor and Grameenphone in previous years have recorded provisions based on an assessment of the legal merits of the claims.

The original Title suit, where the court is supposed to assess the merits of the Demand, is pending at the District Court. BTRC submitted their response in the title suit in District Court 26 May 2022. On 22 June 2023, the District Court has fixed the next date on 12 November 2023 for mediation.

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. In addition, BTRC imposed a Market Competition Factor (MCF) on the 7.4 MHz spectrum assigned in 2008 which GP disputed. The dispute represents an exposure of NOK 1.0 billion, excluding late fees and interest (if any).

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 said 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 verbal judgement was pronounced on 10 January 2023 whereas the written judgement was published on 1 June 2023 stating that VAT needs to be added and paid to BTRC, whilst BTRC will forward VAT to NBR. Rebate is not allowed

as spectrum is considered to be infrastructure owned by the state. The High Court Division concluded in their decision that an imposition of a Market Competition Factor (MCF) on 7.4 MHz spectrum assigned in 2008 as illegal, whilst the Appellate Division now have concluded differently and decided that BTRC may impose such MCF.

Following the publication of the AD's written judgment on 01 June 2023, GP has paid the entire principal amount of approximately NOK 960 million to BTRC on 14 June 2023 without prejudice to its right to pursue Review Petitions (RPs) and without conceding any factual or legal issue in accordance with the said judgment. While making the said payment, GP also reserved the right to adjust against its future payment obligations subject to the outcome of the RPs. Subsequently, GP has also filed RPs before the AD challenging the said judgement.

Responsibility statement

We confirm to the best of our knowledge that the condensed consolidated interim financial statements for the first half of 2023 have been prepared in accordance with IFRS as adopted by EU and IAS 34 *Interim Financial Reporting* and give a true and fair view of the Company's consolidated assets, liabilities, financial position and results for the period. We also confirm to the best of our knowledge that the interim report for the first half of 2023 includes a fair review of important events that have occurred during the period and their impact on the condensed financial statements, the principal risks and uncertainties for the remaining half of 2023, and major related party transactions.

Fornebu, 19 July 2023



Jens Petter Olsen
Chair



Gyrid Skalleberg Ingerø
Vice Chair of the Board



Jan Geldmacher
Board member



Nina Bjørnstad
Board member



Pieter Cornelis Knook
Board member



Astrid Simonsen Joos
Board member




Ottar Ertzeid
Board member



Espen Smistad
Employee representative



Irene Vold
Employee representative



Sune Jakobsson
Employee representative



Sigve Brekke
President & CEO

Definitions and Alternative Performance Measures

Definitions

Revenues

Mobile operations

Mobile service revenues

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

Wholesale & other mobile

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

Devices

Consist of revenues from mobile customer equipment.

Fixed operations

Fixed service revenues

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

Other fixed revenues

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

Other operations

Satellite

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

Connexion

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

Maritime

Consist of revenues from maritime communication services.

Linx

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

Nordic towers

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

Service revenues

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

Other key figures

Mobile operations

Subscriptions

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

Average revenue per subscription per month (ARPU)

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

Fixed operations

Subscriptions

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

Average revenue per subscription per month (ARPU)

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

Alternative Performance Measures

Telenor Group's financial information is prepared in accordance with 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	YTD		Change YTD	
	2023	2022	2023	Change YoY
Total revenue	39 411	37 678	1 732	4.6 %
Impact using exchange rates for 2023	-	381	(381)	
M&A	-	(26)	26	
Organic revenue	39 411	38 033	1 378	3.6 %

NOK in million	Second quarter		Change second quarter	
	2023	2022	2023	Change YTD
Total revenue	20 224	19 247	977	5.1 %
Impact using exchange rates for 2023	(222)	93	(315)	
Organic revenue	20 002	19 340	662	3.4 %

NOK in million	Second quarter		Change second quarter	
	2022	2021	2022	Change YoY
Total revenue	19 247	18 567	680	3.7 %
Impact using exchange rates for 2022	(95)	(88)	(7)	
M&A	-	(75)	75	
Organic revenue	19 152	18 404	748	4.1 %

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	YTD		Change YTD	
	2023	2022	2023	Change YoY
Service revenues	30 692	29 549	1 143	3.9%
Impact using exchange rates for 2023	-	64	(64)	
Organic service revenues	30 692	29 613	1 079	3.6%

NOK in million	Second quarter		Change second quarter	
	2023	2022	2023	Change YTD
Service revenues	15 841	15 049	792	5.3%
Impact using exchange rates for 2023	(171)	(46)	(124)	
Organic service revenues	15 670	15 003	668	4.4%

NOK in million	Second quarter		Change second quarter	
	2022	2021	2022	Change YoY
Service revenues	15 049	14 357	692	4.8%
Impact using exchange rates for 2022	(77)	(46)	(31)	
Organic service revenues	14 972	14 311	661	4.6%

Service revenues

NOK in million	Second quarter		First half year		Year
	2023	2022	2023	2022	2022
Total revenues	20 224	19 247	39 411	37 678	76 877
Less: Handsets and other devices	(1 702)	(1 641)	(3 413)	(3 249)	(7 078)
Less: Lease revenues	(430)	(378)	(843)	(743)	(1 645)
Revenues from rendering of services	18 091	17 228	35 155	33 686	68 154
Less: Revenue from other operators	(1 633)	(1 623)	(3 167)	(3 055)	(6 231)
Less: Other revenues	(617)	(556)	(1 296)	(1 082)	(2 163)
Service revenues	15 841	15 049	30 692	29 549	59 760

Organic gross profit

Organic gross profit is defined as gross profit adjusted for the effects of acquisition and disposal of operations and currency effects. Gross profit is a key financial parameter for Telenor and is the difference between total revenue and costs of materials and traffic charges. Gross profit reflects the profitability contribution of Telenor's revenue growth in its markets and therefore describes Telenor's potential for sustainable value creation, making gross profit a key financial parameter to follow. It is also used for internal performance analysis.

Reconciliation

NOK in million	YTD		Change YTD	
	2023	2022	2023	Change YTD
Gross profit	30 064	29 032	1 032	3.6 %
Impact using exchange rates for 2023	-	18	(18)	
M&A	-	(29)	29	
Organic gross profit	30 064	29 021	1 044	3.6 %

NOK in million	Second quarter		Change second quarter	
	2023	2022	2023	Change YoY
Gross profit	15 545	14 841	704	4.7 %
Impact using exchange rates for 2023	(154)	(72)	(82)	
Organic gross profit	15 391	14 769	622	4.2 %

NOK in million	Second quarter		Change second quarter	
	2022	2021	2022	Change YoY
Gross profit	14 841	14 618	223	1.5 %
Impact using exchange rates for 2022	(76)	(32)	(44)	
M&A	-	(83)	83	
Organic gross profit	14 765	14 502	262	1.8 %

Organic operating expenses (opex)

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

Reconciliation

NOK in million	YTD		Change YTD	
	2023	2022	2023	Change YTD
Operational expenses	13 218	12 528	690	5.5 %
Impact using exchange rates for 2023	-	147	(147)	
M&A	-	(1)	1	
Organic operational expenses	13 218	12 674	545	4.3 %

NOK in million	Second quarter		Change second quarter	
	2023	2022	2023	Change YoY
Operational expenses	6 777	6 385	393	6.2 %
Impact using exchange rates for 2023	(72)	41	(113)	
Organic operational expenses	6 706	6 426	280	4.4 %

NOK in million	Second quarter		Change second quarter	
	2022	2021	2022	Change YoY
Operational expenses	6 385	6 122	263	4.3 %
Impact using exchange rates for 2022	(34)	(19)	(15)	
M&A	-	(4)	4	
Organic operational expenses	6 350	6 099	252	4.1 %

Organic EBITDA

Organic EBITDA growth is defined as EBITDA (before other income and other expenses) adjusted for the effects of acquisition and disposal of operations and currency effects. We believe that the measure provides useful and necessary information to investors, and other stakeholders for the following reasons:

- it provides additional information on underlying growth of the business without the effect of certain factors unrelated to its operating performance, and
- it is used for internal performance analysis.

Reconciliation

NOK in million	YTD		Change YTD	
	2023	2022	2023	Change YoY
EBITDA	16 846	16 504	342	2.1%
Impact using exchange rates for 2023	-	(129)	129	
M&A	-	(28)	28	
Organic EBITDA	16 846	16 347	499	3.1%

NOK in million	Second quarter		Change second quarter	
	2023	2022	2023	Change YoY
EBITDA	8 767	8 456	311	3.7%
Impact using exchange rates for 2023	(82)	(113)	30	
Organic EBITDA	8 685	8 343	342	4.1%

NOK in million	Second quarter		Change second quarter	
	2022	2021	2022	Change YoY
EBITDA	8 456	8 496	(40)	-0.5%
Impact using exchange rates for 2022	(42)	(13)	(29)	
M&A	-	(80)	80	
Organic EBITDA	8 414	8 404	11	0.1%

Capital expenses

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

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

Reconciliation

NOK in million	Second quarter		First half year		Year
	2023	2022	2023	2022	2022
Purchases of PPE, intangible assets and prepayments for right-of-use assets	3 529	5 665	8 368	10 156	19 298
Working capital and other changes	(1 912)	(1 898)	(747)	(543)	(676)
Deferred lease obligations including licences	2 951	3 763	3 237	4 663	9 113
Less:					
Discontinued operations		(1 636)	(816)	(3 367)	(5 906)
Total Capex incl. leases	4 568	5 893	10 042	10 908	21 829
Licence and spectrum acquisition	(286)	(1 671)	(631)	(2 740)	(4 592)
Other leases	(846)	(771)	(2 440)	(1 801)	(3 677)
Capex excl. lease	3 437	3 452	6 971	6 368	13 560
Total revenues	20 224	19 247	39 411	37 678	76 877
Capex excl. lease/Revenues (%)	17.0 %	17.9 %	17.7 %	16.9 %	17.6 %
Total Capex/Revenues (%)	22.6 %	30.6 %	25.5 %	29.0 %	28.4 %

Investments

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

NOK in million	Second quarter		First half year		Year
	2023	2022	2023	2022	2022
Capital expenses	4 568	5 893	10 042	10 908	21 829
Investments in businesses	4 168	66	5 835	173	965
Investments	8 736	5 959	15 877	11 081	22 794

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

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

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

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

Reconciliation

NOK in million	30 June 2023	31 December 2022	30 June 2022
Non-current interest-bearing liabilities	74 936	82 724	90 352
Non-current lease liabilities	13 897	24 417	29 066
Current interest-bearing liabilities	13 094	9 169	5 583
Current lease liabilities	4 201	6 674	7 474
Less:			
Cash and cash equivalents	(12 523)	(9 929)	(9 412)
Hedging instruments		(27)	(98)
Financial instruments	(266)	(277)	(294)
Adjustments:			
Non-current licence obligations	(4 227)	(11 944)	(13 611)
Current licence obligations	(1 273)	(2 931)	(2 733)
Net interest-bearing debt excluding licence obligations	87 839	97 875	106 326

Leverage ratio

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

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

NOK in million	First half year		Year
	2023	2022	2022
A - Net debt	87 839	106 326	97 875
B - EBITDA before other items	34 172	48 761	42 374
C - Dividends from associates and joint ventures	2 417	-	1 376
D - Leverage ratio D=A/(B+C)	2.4	2.2	2.2

Dividend from associated companies and joint ventures for the full year 2022 includes dividends from Digi of NOK 0.8 billion before merger with Celcom. Dividends from associated companies and joint ventures during last twelve months of the period ending 30 June 2023 includes dividend from Digi and dtac as subsidiaries of NOK 1.2 billion. EBITDA before other items for the full year 2022 includes EBITDA before other items contribution from dtac. EBITDA before other items for last twelve months of the period ending 30 June 2022 includes EBITDA before other items contribution from Digi and dtac.

Free cash flow

Telenor makes use of free cash flow and free cash flow before M&A activities as important performance measures when presenting and discussing our reported results. We believe it is both useful and necessary to communicate free cash flow and free cash flow before M&A activities for the following reasons:

- Free cash flow and free cash flow before M&A activities allow us and investors to evaluate Telenor's liquidity and cash generated by our operations.
- Free cash flow excludes items that are deemed discretionary, such as financing activities. In addition, free cash flow before M&A activities excludes cash flows relating to acquisitions and disposals of businesses.
- Free cash flow facilitates comparability with other companies, although our measure of free cash flow may not be directly comparable to similar titled measures used by other companies.
- These measures are used for management planning, reporting and incentive purposes.

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

Reconciliation

NOK in million	Second quarter		First half year		Year
	2023	2022	2023	2022	2022
Net cash flows from operating activities	5 693	9 590	11 795	19 003	39 222
Net cash flows from investing activities	(3 906)	(5 492)	(1 843)	(8 578)	(23 145)
Payments of lease liabilities related to spectrum licences	(884)	(655)	(1 734)	(1 528)	(2 484)
Payments of lease liabilities related to other lease contracts	(843)	(1 273)	(1 992)	(2 718)	(5 589)
Repayments of borrowings - supply chain financing	7	(38)	(205)	(134)	21
Dividends paid to and purchase of shares from non-controlling interest	(584)	(1 275)	(873)	(1 600)	(2 802)
Adjustment for payment to Axiata by CelcomDigi after the merger	-	-	-	-	5 381
Free cash flow	(518)	856	5 148	4 446	10 604
M&A activities	(326)	(74)	4 908	1 081	738
Free cash flow before M&A activities	(191)	930	240	3 364	9 865

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

Return On Capital Employed (ROCE)

When evaluating different financial metrics before making an investment, the Group also considers the return on capital employed. Return on capital employed is calculated by dividing the return of last twelve months by the average balance of capital employed for the same twelve-month period. Return is defined as operating profit including share of profits from associated companies and joint ventures, less income taxes. Capital employed is defined as the sum of total equity and net interest-bearing debt including licence obligations and net pension obligations. The average of capital employed during the period is calculated as average of opening and closing balance for the given twelve-month period.

The calculated return on capital employed is based on the actual generated return, and hence it may be impacted by unusual returns or losses at a particular point of time.

Reconciliation

NOK in million	First half year		Year
	2023	2022	2022
Operating profit	16 516	14 108	15 143
Share of net income (loss) including gains/losses from associated companies and joint ventures	(421)	(411)	(301)
Income taxes	43	(166)	3 009
A - Earnings	16 138	13 531	17 851
B - Telenor's share of earnings from CelcomDigi	67	-	-
B - Telenor's share of earnings from True Corp	123	-	-
C - Adjusted earnings (C=A-B)	15 947	13 531	17 851
Total equity as of beginning of the period	27 061	28 697	31 500
Net interest-bearing debt including licence obligations as of beginning of the period	122 670	120 313	115 543
Net pension obligations as of beginning of the period	2 304	2 678	2 429
D - Total capital employed as of beginning of the period	152 035	151 688	149 472
Total equity as of end of the period	78 952	27 061	64 375
Net interest-bearing debt including licence obligations as of end of the period	93 339	122 670	112 750
Net pension obligations as of end of the period	1 734	2 304	1 919
E - Total capital employed as of end of the period	174 026	152 035	179 045
F - Average capital employed before adjustments (F=(D+E)/2)	163 030	151 862	164 258
G - Adjustment for Telenor Myanmar and Canal Digital	-	(175)	(117)
G - Adjustment for Digi's capital employed	6 129	12 118	6 026
G - Adjustment for dtac's capital employed	19 654	39 363	37 823
G - Adjustment for CelcomDigi	17 734	-	17 218
G - Adjustment for True Corporation	11 306	-	-
H - Average capital employed (H=F-G)	108 208	100 555	103 308
I - Return on capital employed (I=C/H)	15%	13%	17%



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

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

www.telenor.com