



Third quarter 2023

Interim report
July – September 2023

telenor group

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Highlights - Third quarter 2023 ¹⁾

- Service revenues were NOK 15.8 billion, which is an increase of NOK 0.5 billion or 4% compared to the same period last year. The organic growth in service revenues was also 4%.
- EBITDA before other items was NOK 9.3 billion in the third quarter and increased by 1.5% on organic basis. Adjusted for the reversal of a provision in Pakistan in the same period last year, the Group's organic EBITDA before other items grew by 7%. On reported basis, EBITDA before other items remained flat.
- Net income attributable to equity holders of Telenor ASA was NOK 2.5 billion for the quarter.
- CelcomDigi paid NOK 0.3 billion in dividends to Telenor Group this quarter, and NOK 0.9 billion year to date.
- Free cash flow before M&A was NOK 4.3 billion in the quarter and NOK 4.6 billion year to date. Total free cash flow year to date was NOK 9.5 billion.
- The leverage ratio at the end of the third quarter was 2.2x, which is a decrease from 2.4x at the end of the first half this year. Net debt stood at NOK 80.4 billion at the end of the quarter.
- Business area Nordics delivered organic service revenue growth of 3.6%, organic EBITDA growth of 7.8%, and a capex to sales ratio of 15.3% this quarter.
- Based on the performance for the first three quarters and our expectations for the remainder of the year, the full-year financial outlook for Nordics has been changed to organic service revenues growth above 3% and organic EBITDA growth of 3-4% from previously "mid-to-single digit growth" for both service revenues and EBITDA. The outlook for Nordic's capex to sales ratio of around 17% remains unchanged.
- The second tranche of ordinary dividends for 2022, amounting to NOK 4.40 per share, will be paid on or around 31 October. The shares are already trading ex-dividend from 19 October. This brings the total ordinary dividend for 2022 to NOK 9.40 per share.

Key figures Telenor Group

NOK in million	Third quarter		First three quarters		Year
	2023	2022	2023	2022	2022
Service revenues	15 775	15 227	46 467	44 775	59 760
Organic service revenue growth (%)	4%	6%	4%	5%	3%
Total Revenues	20 108	19 531	59 518	57 210	76 877
Organic revenue growth (%)	2%	6%	3%	4%	4%
Operating expenses	(6 331)	(5 946)	(19 550)	(18 474)	(25 229)
EBITDA before other income and other expenses	9 251	9 287	26 097	25 790	33 830
Organic EBITDA growth (%)	1%	6%	2%	1%	1%
Operating profit	4 987	4 980	13 195	11 816	15 143
Net income from associated companies and joint ventures	23	(93)	(269)	(264)	(301)
Net income attributable to equity holders of Telenor ASA	2 451	1 549	21 417	7 006	44 913
Capex excl. lease	2 666	3 172	9 637	9 540	13 560
Free cash flow before M&A	4 330	3 955	4 572	7 319	9 866
Total Free cash flow	4 331	5 211	9 479	9 657	10 604
Leverage	2.2	2.1	2.2	2.1	2.2

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



Sigve Brekke

Progress as planned

Just over a year has passed since we laid out our strategy for a reshaped Telenor on our Capital Markets Day, and we are on track to deliver as promised. In the third quarter we demonstrated solid growth and earnings momentum in the Nordics, saw firm traction for synergy realisation in Asia, and had continued progress on our portfolio optimisation agendas.

The Group posted service revenue growth of 4% in the third quarter. Organic EBITDA increased 1.5%, but I note that EBITDA grew 7% when adjusted for a positive one-time effect in Pakistan last year. We generated free cash flow of NOK 4.3 billion, while financial leverage returned to our target range.

Our success depends on our ability to create value for our customers. We continue to see strong customer validation and receive top customer experience ratings for our consumer mobile services in Finland, Sweden, and Denmark. In the enterprise segment in Norway, new business with several customers in the industry, logistics and health verticals are proof points that our market leadership in security, digital safety and network solutions makes us the natural choice in the Enterprise 5G market.

Nordics delivered 4% service revenue growth and 8% EBITDA growth in the third quarter, supported by strong operational performance and lower energy prices. Growth in mobile service revenues remains strong at around 5%, reflecting both higher sales of value-added services and pricing initiatives. On the other hand, competition has been tough and increasing in the broadband market in Norway, which we are managing actively through retention campaigns. Overall, in a more challenging economic climate for both consumers and businesses we keep reinforcing our more-for-more solution line-ups, while driving our modernisation and cost efficiency agenda even more forcefully.

Our consolidated businesses in Asia delivered decent underlying growth under challenging macro conditions. Our two associated companies, True Corporation and CelcomDigi, are speeding ahead with large-scale integration plans, and the synergies presented at True's recent Capital Markets Day illustrate the large value-creation potential in Thailand. Our focus in Asia remains on repatriation of cash. The dividends we are taking home from CelcomDigi show that the merger in Malaysia is already dividend neutral, and we will work actively as owners to pursue progressive cash distribution also from True over the next couple of years.

I would also like to highlight organisational and technological developments I believe will contribute strongly to our continued success in the longer term. Technology leadership is part of our legacy, and we see that generative AI may offer opportunities over time to reinvent customer experiences and drive efficiencies within customer operations, service development, sales and marketing, and technical operations. This requires new and broader skillsets, and I am happy to welcome Mr Amol Phadke as our new Group CTO. He adds hyperscaling experience, technology vision and AI prowess to the management team, and further strengthens our ability to deliver on our strategy for profitable growth.

In conclusion, I am satisfied with the performance in the third quarter and remain optimistic for the future. Customer excellence, free cash flow generation and long-term value creation will remain top priorities for us going forward. I am confident in the business outlook we have presented for the years to come.

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 (2023-2025) financial ambitions, as presented at CMD 2022

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

Updated 2023 financial outlook

- Above 3% organic growth in Nordic service revenues
- 3-4% organic growth in Nordic EBITDA
- Nordic capex to sales ratio of around 17%

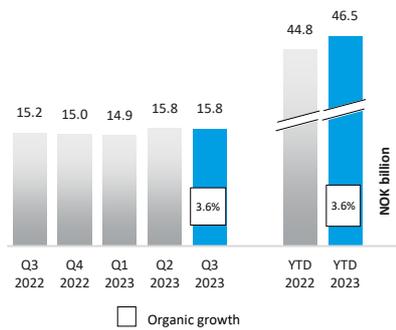


Connectivity is the lifeblood
of modern societies

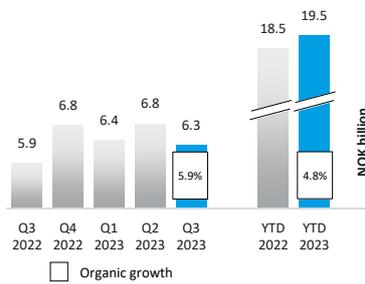
Group financial overview



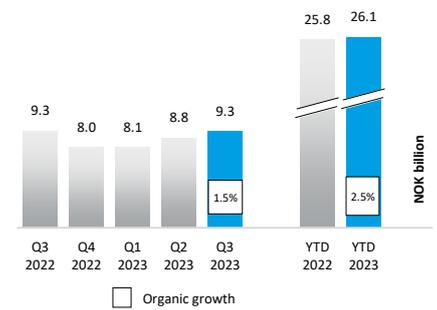
Service revenues



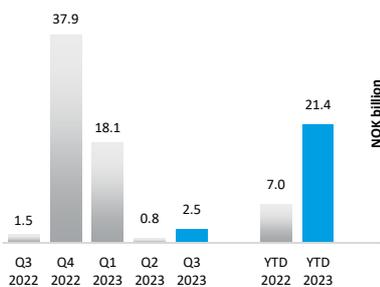
Opex



EBITDA before other items



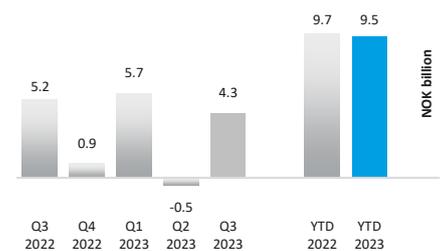
Net income



Capex excl. lease



Free cash flow



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Service revenues

Service revenues increased by 4% on both organic and reported basis this quarter.

In the Nordics, service revenues grew by 4%, and were mainly driven by 5% increase in mobile service revenues. The growth in mobile service revenues in the Nordics was supported by ARPU growth in all markets except Denmark and larger subscriber bases in all markets except Norway. In Asia, service revenues increased by 3% and were primarily driven by increased data usage and price adjustments in Grameenphone, partly offset by decline in Pakistan. Adjusted for the reversal of a provision in Pakistan in the same period last year, service revenues in Asia grew by 6%. Moreover, Telenor Maritime and the IoT provider Connexion, which are both included in business area Amp, continued to provide good support to the Group's service revenue growth.

So far this year, service revenues also grew by 4% on both organic and reported basis, supported by growth in all business areas.

Operating expenses (Opex)

Reported opex increased by NOK 0.4 billion, which corresponds to 6% organic increase compared to the same period last year.

NOK in million	Third quarter			First three quarters			Year
	2023	2022	Organic Change	2023	2022	Organic change	2022
Salaries and personnel	2,261	2,103	5%	7,315	6,855	4%	9,281
Operations and maintenance	1,260	1,160	6%	3,870	3,633	4%	4,956
Sales, marketing and commission	1,277	1,238	3%	3,835	3,654	5%	4,919
Energy	443	410	20%	1,177	1,040	29%	1,409
Other opex	1,090	1,034	5%	3,353	3,291	0%	4,663
Total	6,331	5,946	6%	19,550	18,474	5%	25,229

The increase in salaries and personnel expenses was driven primarily by the Nordics, impacted by inflationary pressure. The increase in sales and marketing expenses was driven by the Nordics, supporting the 5% mobile service revenue growth in this business area.

Increased operations and maintenance cost was mainly due to network expansion and inflationary effects in Asia and modernization projects in Infrastructure. The increase in energy cost in Asia, recognised as opex, was more than offset by lower energy cost in the Nordics, which is recognised as cost of goods sold. This resulted in a total reduction in energy cost of NOK 0.1 billion compared to same period last year.

So far this year, organic opex increased by NOK 0.9 billion, or 5%. The key driver for the opex increase on were energy costs in Asia, and marketing and personnel costs in the Nordics. In general, we see opex increases below inflation rates in most of our markets, which is reflecting our efforts within cost management and modernisation.

Opex in the Nordics increased by 3% on an organic basis, both for the third quarter and for the first nine months of the year.

EBITDA before other income and other expenses

This quarter, EBITDA before other items grew by 1.5% on organic basis and remained stable on reported basis. The organic growth was mainly driven by higher service revenues and lower energy costs in the Nordics, partly offset by increased operational expenses.

In the same period last year, EBITDA before other items was positively impacted by the reversal of a provision in Pakistan. Adjusted for this, the Group's underlying EBITDA growth this quarter was 7%.

So far this year, EBITDA before other items increased by 2% on organic and 1% on reported basis.

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Specification of other income and other expenses

NOK in million	Third quarter		First three quarters		Year
	2023	2022	2023	2022	2022
EBITDA before other income and other expenses	9 251	9 287	26 097	25 790	33 830
Other income	-	-	1	-	(1)
Gains on disposals of property, plant and equipment (PPE) and operations	54	6	72	1 925	1 946
Total other income	54	6	73	1 926	1 945
Losses on disposals of property, plant and equipment (PPE) and operations	(56)	(31)	(219)	(123)	(220)
Workforce reductions, onerous (loss) contracts and other	(146)	(131)	(415)	(546)	(796)
Total other expenses	(202)	(163)	(634)	(669)	(1 016)
EBITDA	9 103	9 130	25 536	27 047	34 758

Total other expenses this quarter consisted mainly of workforce reductions of NOK 146 million, of which NOK 106 million in Telenor Norway. In the third quarter last year, total other expenses consisted mainly of workforce reductions (of which NOK 91 million in Telenor Norway).

For the first three quarters of 2023, total other expenses were mainly driven by restructuring cost of NOK 388 million related to workforce reductions (of which NOK 263 million in Telenor Norway) and NOK 72 million settlement for a disposal of business in 2020.

For the first three quarters of 2022, total other income consisted mainly of NOK 1.7 billion gain on divestment of fixed non-core assets and NOK 95 million related to gain on sale of licenses in Telenor Sweden. Total other expenses were mainly related to workforce reductions, of which NOK 347 million in Telenor Norway and NOK 119 million in Grameenphone.

Reported EBITDA remained stable in the third quarter. So far this year, reported EBITDA decreased by NOK 1.5 billion.

Operating profit

Operating profit was NOK 5.0 billion this quarter, and was stable year over year.

For the first three quarters, operating profit increased by NOK 1.4 billion. The increase in operating profit was driven by an impairment of Telenor Pakistan last year of NOK 2.5 billion as well as lower depreciation and amortisation expenses this year mainly related to copper shutdown in Norway, partly offset by lower reported EBITDA this year.

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 and third quarter 2023, the quarterly results for the first and second quarter for CelcomDigi have been included. For True Corporation, Telenor did not report any share of net income in the first quarter 2023. Subsequent to the closing of the True transaction on 1 March, in the second quarter 2023, Telenor's share of net income for the month of March was reported. For the third quarter 2023, the second quarter results for True has been included. 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	Third quarter		First three quarters		Year
	2023	2022	2023	2022	2022
Profit (loss) after taxes reported by companies	49	(47)	172	(218)	(230)
Amortisation of Telenor's net excess values after taxes	(26)	-	(64)	-	-
Profit (loss) after taxes to Telenor	23	(47)	108	(218)	(230)
Impairment losses	-	-	(376)	-	-
Gains (losses) on disposal of ownership interests	-	(46)	-	(46)	(71)
Profit (loss) from associated companies and joint ventures	23	(93)	(269)	(264)	(301)

Net profit after tax from associated companies and joint ventures during the third quarter of 2023 was NOK 23 million, mainly due to profit after tax in CelcomDigi of NOK 238 million and Allente of NOK 39 million, offset by loss after tax in True Corporation of NOK 179 million and in Carousell of NOK 54 million. The third quarter of last year mainly includes loss after

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tax from Carousell of NOK 54 million and Telenor Microfinance Bank of NOK 40 million, offset by profit after tax from Allente of NOK 60 million.

Net loss after tax from associated companies and joint ventures during the first three quarters of 2023 was NOK 269 million, mainly due to the impairment recognised for Telenor Microfinance Bank of NOK 376 million in the second quarter, loss after tax from Carousell of NOK 119 million and from True of NOK 141 million, partly offset by profit after tax in CelcomDigi of NOK 396 million. The first three quarters of last year mainly includes loss after tax from Carousell of NOK 198 million and Telenor Microfinance Bank of NOK 163 million, offset by profit after tax from Allente of NOK 171 million.

Financial items

NOK in million	Third quarter		First three quarters		Year
	2023	2022	2023	2022	2022
Financial income	197	185	652	420	392
Financial expenses	(993)	(668)	(3 189)	(1 567)	(2 901)
Net currency gains (losses)	324	(2 371)	(3 262)	(4 562)	(3 386)
Net change in fair value of financial instruments	(18)	69	111	587	391
Net gains (losses and impairment) of financial assets and liabilities	47	-	(433)	(1)	1
Net financial income (expenses)	(442)	(2 785)	(6 122)	(5 122)	(5 503)
Gross interest expenses related to interest-bearing liabilities and lease liabilities	(903)	(608)	(2 415)	(1 300)	(1 838)
Net interest expenses	(755)	(462)	(1 902)	(999)	(1 603)

Financial expenses in the third quarter increased by NOK 0.3 billion compared to the same period last year, as a result of higher interest rates.

Net currency gains in the third quarter were driven by strengthening of the NOK against most currencies relevant for Telenor, compared to a weakening of the NOK during the same period last year. Currency losses during the third quarter last year were mainly related to liabilities denominated in USD and intercompany loans in SGD.

So far this year, financial expenses increased by 1.6 billion compared to same period last year. The increase was primarily driven by NOK 1.1 billion in interest expenses, from higher interest rates and NOK 0.4 billion in interest cost related to legal disputes in Bangladesh. Total financial expenses were partially offset by NOK 0.2 billion higher interest income.

Net losses of financial assets for the nine months ended 30 September 2023 were related to NOK 0.4 billion write-down of financial assets related to the funding of share purchases in True Corporation in Thailand.

For the nine months this year and also the same period last year, net currency losses were driven by weakening of the NOK against most currencies relevant for Telenor. Currency losses were mainly related to liabilities denominated in USD and intercompany loans in SGD. The NOK strengthened during the third quarter 2023, partly offsetting total year-to-date currency losses.

Income tax

The tax expense this quarter was NOK 1.7 billion, resulting in an effective tax rate of 36%. The effective tax rate for the third quarter was mainly impacted by the new income tax act in Bangladesh, which challenges tax deductions for payments made to certain governmental entities.

The tax expense for the first nine months was NOK 2.6 billion, giving an effective tax rate of 38%. The effective tax rate for the first nine months was impacted negatively by the mentioned income tax act in Bangladesh and currency losses on foreign borrowings. Moreover, the favorable ruling in the Appeal Court in Norway changing the timing on tax deduction for the losses related to the India guarantee impacted the effective tax rate negatively (see note 9). These negative impacts were partly offset by settlement of historical disputes with the tax authorities in Bangladesh. The effective tax rate for the year is estimated to be around 37%.

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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 September 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 2.9 billion, as the operating profit of NOK 5.0 billion was reduced by net financial items of NOK 0.4 billion and tax expense of NOK 1.7 billion, leading to profit after tax of NOK 2.9 billion from continued operations. Loss from discontinued operations was NOK 0.1 billion. Net income from total operations was NOK 2.9 billion, of which NOK 0.4 billion relates to non-controlling interests. This resulted in net income of NOK 2.5 billion to equity holders of Telenor ASA and earnings per share of NOK 1.77 which is 59% higher than the same period last year.

For the first three quarters of 2023, total net income was NOK 22.8 billion, of which NOK 21.4 billion was attributed to the equity holders of Telenor ASA. The total net income increased by NOK 13.6 billion, and was driven by NOK 18.5 billion gain recognised as part of the merger completion in Thailand, partly offset by increased net financial items and taxes, totaling NOK 4.8 billion.

Capital expenditure excluding leases (Capex excl. leases)

Capex excluding leases was NOK 2.7 billion for the period, resulting in capex to sales ratio of 13.3%, which is 3 percentage points lower than for the same period last year. In the Nordics, capex excluding leases was NOK 2.1 billion, corresponding to a capex to sales ratio of 15.3%, and was mainly driven by the ongoing 5G roll-out and fibre investments in Norway.

So far this year, capex excluding leases amounted to NOK 9.6 billion for the Group resulting in capex to sales ratio of 16.2%. The capex to sales ratio for the Nordics stood at 17.0%, which is in line with the full year guidance.

Cash flow

The Group's free cash flow in the third quarter was NOK 4.3 billion. All business areas contributed positively to the free cash flow development this quarter, with interim dividend from CelcomDigi contributing NOK 0.3 billion. Moreover, working capital improved by NOK 0.4 billion. Year to date, total free cash flow was NOK 9.5 billion, of which NOK 4.9 billion was related to M&A activities.

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Cash and cash equivalents decreased by NOK 2.9 billion during the quarter, as the repayments of borrowings of NOK 7.3 billion more than offset the positive free cash flow. Year to date, cash and cash equivalents decreased by NOK 0.5 billion. Payment of dividend of NOK 6.9 billion, net repayment of borrowings of 1.9 billion, and share buybacks of NOK 1.7 billion, were only partly offset by total free cash flow of NOK 9.5 billion and positive currency effects of NOK 0.6 billion.

Financial position

During the first nine months of 2023, total assets decreased by NOK 15.8 billion to NOK 223.5 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 7 billion.

During the first nine months of 2023, net debt decreased by NOK 17.3 billion to NOK 80.4 billion driven primarily by positive free cash flow of NOK 9.5 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 5.9 billion. As a result, interest-bearing liabilities excluding licence obligations decreased by NOK 17.5 billion, and cash and cash equivalents decreased by NOK 0.2 billion.

During the first nine months of 2023, total equity increased by NOK 15.7 billion to NOK 80.1 billion. The increase was mainly due to positive net income from total operations of NOK 22.8 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 NOK 1.5 billion, and pension remeasurement gains (net of tax) of NOK 1.4 billion. The increase was partly offset by dividends to equity holders of Telenor ASA and non-controlling interests of NOK 14.1 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 third quarter, the impact on translating the net assets to NOK resulted in a loss of NOK 2.9 billion recognised in other comprehensive income, driven by NOK 4.2 billion loss related to the assets and NOK 1.3 billion gain related to the liabilities.

In addition, Telenor has significant debt in foreign currencies, which, to some extent, impacts the income statement when the currencies fluctuate. Telenor uses part of its borrowings in foreign currencies to hedge its foreign investments, called net investment hedges, and this either fully or partly offsets the currency impact from debt in the income statement. The currency effects of borrowings and placements in foreign currencies, mainly coming from borrowings in EUR and USD, impacted the income statement with a gain of NOK 0.3 billion. The net investment hedges impacted the Other Comprehensive Income statement with a gain of NOK 1.4 billion.

The overall net effect before tax related to currency on total equity during the third quarter was a loss of NOK 1.1 billion.

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Performance in the business areas



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

Basis for reporting

The historical figures have been restated to reflect the new structure, including separation of towers from Telenor Sweden and DNA into Infrastructure. See note 2 for more information. The comments on the financial development in the business areas are made on an organic basis in the third quarter of 2023 compared to the third quarter of 2022, unless otherwise stated. Please refer to Definitions on page 44 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. The passive fibre infrastructure company Telenor Fiber AS (70% ownership) is reported as part of Telenor Norway.

NOK in million	Third quarter		YoY change		First three quarters		YoY change		Year
	2023	2022	Reported	Organic	2023	2022	Reported	Organic	2022
Norway	5 081	4 952	3%	3%	14 996	14 698	2%	2%	19 633
Sweden	2 347	2 206	6%	4%	7 126	6 528	9%	5%	8 790
Denmark	1 076	933	15%	2%	3 098	2 718	14%	1%	3 678
Finland	2 289	1 893	21%	7%	6 671	5 552	20%	6%	7 546
Other/eliminations	(25)	(18)	38%	n.m.	(78)	(56)	40%	n.m.	(75)
Service revenues	10 768	9 965	8%	4%	31 813	29 440	8%	3%	39 572
Total revenues	13 960	13 178	6%	1%	41 518	38 832	7%	2%	52 477
Opex	(3 897)	(3 618)	8%	3%	(12 369)	(11 430)	8%	3%	(15 646)
Norway	3 333	3 099	8%	8%	9 440	9 231	2%	2%	12 236
Sweden	1 156	1 068	8%	5%	3 234	2 994	8%	5%	3 981
Denmark	456	353	29%	14%	1 231	1 049	17%	4%	1 396
Finland	1 166	938	24%	10%	3 233	2 716	19%	5%	3 547
Other/eliminations	2	11	-84%	n.m.	29	35	-17%	n.m.	28
EBITDA before other items	6 113	5 469	12%	8%	17 168	16 024	7%	3%	21 187
Operating profit	2 746	2 013	36%	n.m.	6 954	7 454	-7%	n.m.	9 143
Capex excl. lease	2 132	2 492	-14%	n.m.	7 074	7 010	1%	n.m.	9 957

In the Nordics, service revenues increased by 4%, driven by 5% growth within the mobile segment. Increased expenses due to inflationary pressure and annual wage settlements were partly offset by efficiency measures. Energy cost decreased by NOK 0.2 billion, as energy spot prices reduced significantly compared to same period last year. In total, this resulted in an EBITDA growth of 8%, whereof 3.5 percentage points were due to lower energy costs. Investments into mobile network modernisation and fibre continued at somewhat lower intensity this quarter than in the first half of the year. Based on the performance so far this year, and the expectations for the remainder of the year, the financial outlook for 2023 has been updated to above 3% organic growth in service revenues and 3-4% organic growth in EBITDA, from previously low-to-mid single digit growth in both service revenues and EBITDA. The capex to sales outlook has been kept unchanged at 17%.

The healthy revenue growth in the quarter was underlined by the recently strong results from customer satisfaction surveys in which Telenor brands were ranked among the best telco brands in all Nordic markets, with CBB in Denmark, Vimla in Sweden, and DNA in Finland in first place in their markets and Talkmore third in Norway.

In Norway, mobile ARPU growth from value-added services, higher share of unlimited subscriptions and pricing initiatives contributed to a 4% increase in mobile service revenues. Together with growth in fibre and fixed wireless access, this resulted in 3% total service revenue growth. Migration of wholesale customers out of Telenor's networks was completed at the beginning of the quarter. Reported EBITDA increased by 8%, mainly driven by service revenue growth, lower energy cost, and opex reductions in several areas offsetting the effects of the wage settlement. Investments into a robust mobile network continued further strengthening the product portfolio as proven through several 5G enterprise dedicated network agreements within industry, logistics and health sectors. The security services have been received well by the customers, and the SAFE product has reached more than 300 000 customers in the consumer market and SafeZone has more than 100 000 in the business market.

In Sweden, service revenues increased by 4%, primarily driven by 6% growth in mobile from a larger customer base and pricing adjustments. The revenue growth was partly offset by higher operating expenses, resulting in EBITDA growth of 5%. The mobile network modernisation continued with 3G decommissioning and 5G rollout at a high pace, supporting the launch of new services in the business segment.

In September, Net4Mobility, the network joint operation between Telenor Sweden and Tele2, acquired spectrum for a total consideration of SEK 1 475 million in the 900, 2100 and 2600 MHz frequency bands valid for use from 1 January 2026. Telenor Sweden will pay 50% of its share in October 2023 and the remaining part in the fourth quarter of 2025.

The operation in Denmark saw 2% service revenue growth and 14% increase in EBITDA, or 2% excluding effects from lower energy cost. The performance was driven mainly by larger customer bases in both mobile and fixed, and slightly lower operating expenses, as efficiency measures offset inflationary effects. During the quarter, Denmark expanded its focus on security for its customers and introduced security filter in all its fixed broadband subscriptions, similar to what is already included for mobile subscriptions.

In Finland, mobile service revenues increased by 8%, from 5% increase in ARPU and a larger subscriber base. A recent survey shows that DNA customers have the highest mobile data usage in Europe and are in top 5 globally, highlighting the consistent quality of the network, and this quarter saw investments into further enhancing this through 5G. As fixed service revenues grew by 4%, total service revenues saw strong growth of 7% compared to last year. Despite somewhat higher personnel cost, EBITDA grew by 10%.

Asia

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

CelcomDigi, which is the result of the merger of Digi and Celcom, 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 20.5 million at the end of second quarter 2023. As of 29 September 2023, the market capitalisation was NOK 116 billion on 100% basis, of which NOK 39 billion for Telenor's economic interest. True Corporation (True), which is the result of the combination of dtac and True, started trading as the new combined company on the Stock exchange of Thailand on 3 March. True Corporation is Thailand's largest mobile network operator with a total customer base of 51.1 million at the end of second quarter 2023. As of 29 September, the market capitalisation was NOK 72 billion on 100% basis, of which NOK 22 billion for Telenor's economic interest. As CelcomDigi and True 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	Third quarter		YoY change		First three quarters		YoY change %		Year
	2023	2022	Reported	Organic	2023	2022	Reported	Organic	2022
Bangladesh	3 739	3 830	-2%	6%	10 975	11 208	-2%	5%	14 752
Pakistan	882	1 095	-19%	-8%	2 616	3 294	-21%	-2%	4 267
Service revenues	4 621	4 925	-6%	3%	13 591	14 502	-6%	3%	19 019
Total revenues	5 061	5 401	-6%	3%	14 892	15 871	-6%	4%	20 973
Opex	(1 885)	(1 873)	1%	10%	(5 470)	(5 520)	-1%	8%	(7 270)
Bangladesh	2 440	2 505	-3%	6%	7 095	7 242	-2%	5%	9 685
Pakistan	448	1 096	-59%	-52%	1 441	2 371	-39%	-25%	2 891
Other/eliminations	(63)	(27)	135%	n.m.	(200)	(93)	116%	n.m.	(60)
EBITDA before other items	2 825	3 575	-21%	-12%	8 336	9 521	-12%	-3%	12 516
Operating profit	1 764	2 582	-32%	n.m.	5 208	3 693	41%	n.m.	5 442
Capex excl. lease	318	410	-23%	n.m.	1 859	1 774	5%	n.m.	2 373
CelcomDigi	238	-	238	n.m.	396	-	396	n.m.	-
True Corp	(179)	-	(179)	n.m.	(141)	-	(141)	n.m.	-
Others	5	(33)	38	n.m.	(371)	(136)	(235)	n.m.	-
Net income from associates and JVs	64	(33)	97	n.m.	(116)	(136)	20	n.m.	(194)
Dividends from associates and JVs	283	-	283	n.m.	853	-	853	n.m.	283

In business area Asia, the year-over-year development this quarter is impacted by the reversal of a provision of NOK 0.5 billion in Pakistan in the same period last year. Adjusted for this effect, Telenor Asia's organic service revenues improved by 6% and EBITDA increased by 4%. This performance was driven by mobile ARPU growth in both Bangladesh and Pakistan, more than offsetting the negative impact of inflationary pressure including higher energy prices.

Grameenphone continued to expand its customer base this period by 0.8 million subscriptions, taking the customer base to 82 million, which is slightly larger than one year ago. Increased demand for higher value data offers and better monetisation of voice services supported an ARPU uplift of 9%, taking the service revenue growth to 6%. EBITDA improved by 6% as the revenue growth more than offset the impact of higher energy cost.

In Pakistan, management's focus remains to manoeuvre the very challenging business and macroeconomic environment by prioritising value customers, while balancing network quality and by prudent cost management. Adjusted for the above-mentioned special effect in the same period last year, service revenues increased by 4% from improved data monetisation as well as favourable comparables due to the severe flooding in the same period last year. EBITDA improved by 3% 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 in Malaysia published its second quarter results on 18 August. Service revenues and EBITDA remained stable versus the second quarter last year. The company's financial outlook for 2023 is to maintain service revenue growth momentum and have flat to single digit EBITDA growth, while capex is expected in the range of 15-18% of revenues. The board of CelcomDigi declared an interim dividend payable on 29 September, of which Telenor's share is NOK 0.3 billion. So far this year, Telenor has received dividends of NOK 0.9 billion from CelcomDigi.

True Corporation (True) in Thailand released its second quarter results on 27 July. Service revenues declined by 1% versus the second quarter last year, explained by the mobile segment. Operating costs are significantly reduced across several categories and EBITDA remained stable compared to the second quarter last year. Based on these results, the company lifted its EBITDA guidance from "flat to low single digit decline" to "low to mid-single digit growth", while the guidance of flat service revenues and capex in the range of THB 25-30 billion, was kept unchanged. True hosted a Capital Markets Day on 26 September where they presented their financial targets as well as quantified their post-merger synergy target of THB 250 billion (around NOK 75 billion).

In Telenor Asia's results for the third quarter, net income from associated companies and joint ventures was NOK 64 million, as positive contribution from CelcomDigi more than offset losses in True Corporation. The net income in True was impacted by accelerated depreciations from alignment of asset useful life and reversal of deferred tax assets.

Infrastructure

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

NOK in million	Third quarter		YoY change		First three quarters		YoY change %		Year
	2023	2022	Reported	Organic	2023	2022	Reported	Organic	2022
Service revenues	-	-	-	-	-	-	-	-	-
Telenor Infra	618	792	-22%	-22%	1 895	1 979	-4%	-4%	2 680
Tower Sweden	63	66	-6%	-8%	221	203	9%	5%	269
DNA Towers	135	112	21%	7%	422	329	28%	13%	478
Total revenues	815	970	-16%	-17%	2 538	2 510	1%	-1%	3 427
Opex	(174)	(152)	15%	13%	(513)	(473)	8%	7%	(662)
Telenor Infra	385	411	-6%	-6%	1 102	1 011	9%	9%	1 339
Tower Sweden	55	47	17%	14%	168	143	18%	13%	178
DNA Towers	84	68	25%	10%	271	216	25%	11%	321
Other/eliminations	-	(2)	-113%	n.m.	(3)	(4)	-39%	n.m.	(7)
EBITDA before other items	524	524	0%	-2%	1 538	1 366	13%	10%	1 830
Telenor Infra	320	351	-9%	-9%	909	832	9%	9%	1 099
Tower Sweden	41	31	29%	26%	123	95	30%	24%	114
DNA Towers	70	56	26%	12%	232	181	28%	13%	274
Other/eliminations	15	13	15%	n.m.	40	38	4%	n.m.	49
EBITDA before other items and after lease depreciation	446	451	-1%	-3%	1 303	1 146	14%	11%	1 537
Operating profit	304	311	-2%	n.m.	864	722	20%	n.m.	962
Capex excl. lease	189	234	-19%	n.m.	577	620	-7%	n.m.	901

Overall, Infrastructure's performance in the period was in line with expectations and was impacted by the considerably lower energy spot prices, which led to lower cost but also reduced revenues, as energy is included in the service offering to co-location customers. External revenues excluding energy increased by 10% due to CPI-driven price increases and higher mobile volumes, slightly offset by lower fixed volumes in Norway and 3G sunsetting in Sweden.

The opex increase was driven by modernisation projects and removal of asbestos in old technical buildings in Norway. EBITDA before other items was flat in the period because of the above-mentioned effects.

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

In September, the Norwegian Communications Authority published a draft decision for the mobile market, proposing continued regulation of co-location services for the coming three years. A final decision is expected early 2024 with implementation in fourth quarter 2024.

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 (50% ownership) and the online classifieds company Carousell (29% ownership).

NOK in million	Third quarter		YoY change %		First three quarters		YoY change %		Year
	2023	2022	Reported	Organic	2023	2022	Reported	Organic	2022
Maritime	216	179	20%	20%	527	372	41%	41%	545
Connexion	254	209	22%	19%	759	611	24%	19%	835
Other/eliminations	(10)	(6)	-62%	n.m.	(24)	(14)	-71%	n.m.	(20)
Service revenues	460	382	20%	19%	1 262	969	30%	27%	1 360
Maritime	216	179	20%	20%	527	372	41%	41%	545
Connexion	254	209	22%	19%	759	611	24%	19%	835
Satellite	235	238	-2%	-2%	707	684	3%	3%	916
Linx	502	570	-12%	-12%	1 591	1 588	0%	0%	2 202
Other/eliminations	2	3	14%	n.m.	16	21	-22%	n.m.	27
Total revenues	1 209	1 199	1%	0%	3 599	3 275	10%	9%	4 525
Opex	(276)	(266)	4%	3%	(925)	(846)	9%	8%	(1 162)
Maritime	45	47	4%	-4%	69	54	28%	28%	100
Connexion	87	70	25%	22%	265	186	43%	37%	253
Satellite	181	179	1%	1%	504	481	5%	5%	642
Linx	66	130	-49%	-49%	180	383	-53%	-53%	487
Other/eliminations	4	(4)	186%	n.m.	17	(13)	226%	n.m.	(8)
EBITDA before other items	383	421	-9%	-9%	1 036	1 091	-5%	-6%	1 473
Operating profit	267	301	-11%	n.m.	646	729	-11%	n.m.	995
Capex excl. lease	26	35	-26%	n.m.	121	135	-10%	n.m.	325
Allente	39	60	(21)	n.m.	45	171	(126)	n.m.	235
Others	(71)	(119)	49	n.m.	(172)	(298)	126	n.m.	(337)
Net income from associates and JVs	(32)	(59)	28	n.m.	(127)	(127)	-	n.m.	(102)
Dividends from associates and JVs	-	-	-	n.m.	102	-	102	n.m.	285

In Telenor Amp, strong operational performance combined with positive currency movements as well as timing effects contributed to a strong first half of the year. We see operational trends continuing in the third quarter, however, with tougher year over year comparable numbers.

Organic revenue growth, based on constant functional currencies, was 1% in the third quarter. Telenor Connexion reported strong revenue growth, partly due to underlying currency effects. Continued high SIM shipments so far this year will support 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 due to seasonally high mobile traffic in both the cruise and ferry segments. Telenor Satellite's results remained stable, while the revenue reduction in Linx was explained by a contract settlement last year and lower traffic into Pakistan. Amp's EBITDA decreased by 9% compared to the third quarter last year due to Linx and higher development costs in Maritime this year.

On 24th October, Telenor closed the transaction of its 44.6% stake (fully diluted basis) in Working Group Two to Cisco at an enterprise value of USD 150 million, of which approximately USD 62 million will be paid to Telenor. Cisco will acquire all shares of Working Group Two and the company will be fully incorporated into Cisco.



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		Target 2025
	2022	YTD 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%	49%	68%
Number of people trained in digital skills	3.0 m	4.0 m	6 m
Mobile internet users (% of active data users)*	55.8%	58.6%	68%
Closure rate non-conformities in the supply chain*	50%	71%	90%
Women in senior leadership positions*	34%	36%	40%
Lost time Injury Frequency (LTIF)	0.13	0.48	n.a.

*2022 figures restated excluding dtac.

The progress of Telenor’s key ambitions with sustainability are tracked on a quarterly basis and for third quarter we see improvements for most of the selected ESG indicators.

Telenor’s energy consumption is mainly driven by expansion of the mobile networks, including 5G roll-out, and following traffic increase in both Nordic and Asia. However, both regions are working on efficiency measures to limit the growth. In the Nordics a key action to address scope 1 and 2 emissions is to enter into Power Purchase Agreements (PPAs) to secure renewable electricity. So far three of our four operations in the Nordic have signed PPAs, Norway and Denmark in 2022 and DNA in Finland earlier in 2023. The renewable energy solution for the Norwegian operation will start production towards end of 2023 or early 2024, while the PPAs in Denmark and Finland both are expected to be operational by end of 2024. All three PPA projects are progressing according to plan. In Asia, Telenor Pakistan increased the number of solar sites and passed more than 1600 solar sites in total at the end of the third quarter. In Bangladesh, Grameenphone secured access to renewable electricity by purchase of Energy Attribute Certificates (EACs) for the first time, although in modest quantities.

The share of supplier spend covered by science-based targets increased during the quarter from 46% to 49% as we continue to see the effect of consistent engagement and

influence to suppliers to adopt to science-based targets, in addition to the requirements introduced in second quarter for the largest suppliers.

True Corporation, our associated company in Thailand, communicated at their Capital Market Day in September that they aim to be carbon neutral by 2030 and a net zero by 2050.

In Bangladesh, Telenor launched a new project in cooperation with UNICEF aimed at building digital resilience and strengthening child online safety. The project aims to ensure that children and adolescents are digitally literate and aware about safe, ethical and responsible use of digital technologies, and the target is to train more than 10 million children and 25 000 teachers over the course of three years.

At the United Nations General Assembly week proceedings hosted by the International Telecommunications Union (ITU) which took place in September, Telenor reaffirmed its commitment to drive social and digital inclusion by promoting skills for the future.

In September, Telenor’s A rating was reaffirmed when Position Green released its annual rating of the ESG reporting of the 100 largest listed companies in Norway, Sweden and Denmark.

Risks and uncertainties



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

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 increased the risk of supply chain disruption due to escalating trade tension and sanctions. The recent development in the conflict in Israel and the risk of potential disruption in the oil supply from the middle east region may further aggravate economic slowdown and inflation caused by war in Ukraine. Management is observing higher 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's operations are subject to requirements through sector-specific laws, regulations and national licences. Regulatory developments and uncertainty could affect Telenor's results and business prospects. The risk is particularly high in Asian markets with issues related to high spectrum prices, tax disputes, renewal of licenses and general unpredictability in the business and regulatory environment.

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, 24 October 2023

The Board of Directors of Telenor ASA

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Consolidated income statement

Telenor Group

NOK in million	Note	Third quarter		First three quarters		Year
		2023	2022	2023	2022	2022
Revenues	3	20 108	19 531	59 518	57 210	76 877
Cost of materials and traffic charges		(4 525)	(4 299)	(13 872)	(12 946)	(17 819)
Salaries and personnel costs		(2 261)	(2 103)	(7 315)	(6 855)	(9 281)
Other operating expenses		(4 070)	(3 843)	(12 235)	(11 619)	(15 948)
Other income		54	6	73	1 926	1 945
Other expenses		(202)	(163)	(634)	(669)	(1 016)
EBITDA		9 103	9 130	25 536	27 047	34 758
Depreciation and amortisation		(4 116)	(4 171)	(12 341)	(12 751)	(17 114)
Impairment losses		-	20	-	(2 480)	(2 502)
Operating profit (loss)		4 987	4 980	13 195	11 816	15 143
Share of net income from associated companies and joint ventures	4	23	(93)	(269)	(264)	(301)
Net financial items		(442)	(2 785)	(6 122)	(5 122)	(5 503)
Profit (loss) before taxes		4 567	2 102	6 805	6 430	9 339
Income taxes		(1 655)	(826)	(2 561)	1 234	3 009
Profit (loss) from continuing operations		2 912	1 276	4 244	7 664	12 348
Profit (loss) from discontinued operations	5	(71)	1 047	18 552	1 571	35 230
Net income		2 841	2 323	22 796	9 235	47 578

Net income attributable to:

Non-controlling interests	391	774	1 379	2 229	2 665
Equity holders of Telenor ASA	2 451	1 549	21 417	7 006	44 913

Earnings per share in NOK

Basic/diluted from continuing operations	1.82	0.61	2.05	4.60	7.84
Basic/diluted from discontinued operations	(0.05)	0.50	13.38	0.41	24.25
Basic/diluted from total operations	1.77	1.11	15.43	5.01	32.09

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

Consolidated statement of comprehensive income

Telenor Group

NOK in million	Third quarter		First three quarters		Year
	2023	2022	2023	2022	2022
Net income	2 841	2 323	22 796	9 235	47 578
Translation differences on net investment in foreign operations	(2 883)	1 980	3 407	3 890	1 806
Amount reclassified from other comprehensive income to income statement on disposal	-	-	(4 031)	790	370
Net gain (loss) on hedge of net investment	1 439	(1 048)	(2 242)	(2 179)	(1 402)
Income taxes	(317)	231	493	479	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	21	(53)	29	46
Items that may be reclassified subsequently to income statement	(1 748)	1 184	(1 537)	3 009	1 361
Net gain (loss) on equity investments	5	139	40	206	157
Remeasurement of defined benefit pension plans	169	288	1 758	2 006	661
Income taxes	(37)	(63)	(387)	(441)	(138)
Items that will not be reclassified to income statement	137	364	1 411	1 771	680
Other comprehensive income (loss), net of taxes	(1 611)	1 548	(126)	4 780	2 041
Total Comprehensive Income	1 230	3 871	22 670	14 015	49 620
Total comprehensive income attributable to:					
Non-controlling interests	336	938	1 503	2 616	2 780
Equity holders of Telenor ASA	894	2 933	21 167	11 399	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 September 2023	31 December 2022	30 September 2022
Deferred tax assets		3 824	5 536	2 628
Goodwill		25 228	27 334	28 430
Intangible assets		9 194	9 689	10 414
Right-of-use assets		26 884	45 686	52 804
Property, plant and equipment		52 730	65 659	73 935
Associated companies and joint ventures	4	61 050	39 686	6 099
Other non-current assets		17 191	13 476	16 289
Total non-current assets		196 102	207 067	190 599
Prepaid taxes		906	1 491	1 494
Inventories		1 064	1 559	1 840
Trade and other receivables		14 859	18 842	22 688
Other current financial assets		820	361	735
Cash and cash equivalents		9 710	9 929	16 224
Total current assets		27 358	32 182	42 981
Total assets		223 460	239 249	233 580
Equity attributable to equity holders of Telenor ASA		74 250	60 139	24 730
Non-controlling interests		5 817	4 237	4 968
Total equity		80 068	64 375	29 697
Non-current lease liabilities		13 635	24 417	29 588
Non-current interest-bearing liabilities	6	72 273	82 724	89 408
Non-current non-interest-bearing liabilities		1 518	1 772	2 954
Deferred tax liabilities		3 277	3 639	4 378
Pension obligations		1 758	1 919	2 371
Provisions and obligations		6 101	6 627	8 128
Total non-current liabilities		98 561	121 097	136 827
Current lease liabilities		4 323	6 674	7 816
Current interest-bearing liabilities	6	5 696	9 169	9 937
Trade and other payables		20 754	28 227	31 506
Dividend payable		6 101	-	6 036
Current tax payables		1 934	2 487	4 089
Current non-interest-bearing liabilities		1 641	1 694	1 758
Provisions and obligations		612	791	687
Liabilities classified as held for sale	5	3 770	4 735	5 228
Total current liabilities		44 831	53 777	67 056
Total equity and liabilities		223 459	239 249	233 580

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

Consolidated statement of cash flows

Telenor Group

NOK in million	Third quarter		First three quarters		Year
	2023	2022	2023	2022	2022
Profit before taxes from total operations ¹⁾	4 496	3 403	25 543	8 923	45 718
Income taxes paid	(767)	(1 000)	(3 462)	(3 984)	(5 977)
Net (gains) losses from disposals, impairments and change in fair value of financial assets and liabilities	(43)	(242)	(18 351)	(1 375)	(33 823)
Depreciation, amortisation and impairment losses	4 108	6 439	13 310	21 855	28 217
Loss (profit) from associated companies and joint ventures	(23)	93	269	266	303
Dividends received from associated companies	283	98	956	98	575
Currency (gains) losses not related to operating activities	(275)	2 326	2 628	4 895	3 737
Changes in working capital and other	626	(264)	(693)	(821)	473
Net cash flow from operating activities	8 405	10 853	20 200	29 857	39 222
Purchases of property, plant and equipment, intangible assets and prepayment for right-of-use assets	(3 191)	(4 428)	(11 558)	(14 584)	(19 298)
Purchases of subsidiaries, associated companies and joint ventures, net of cash acquired	-	(14)	(1 787)	(194)	(991)
Proceeds from disposal of PPE, intangible assets, associated companies and businesses, net of cash disposed	24	274	15 217	1 681	(4 463)
Proceeds from sale and purchases of other investments	(6)	1 111	(6 888)	1 463	1 607
Net cash flow from investing activities	(3 174)	(3 056)	(5 017)	(11 634)	(23 145)
Proceeds from and repayments of borrowings	(7 272)	744	(1 911)	(4 473)	(88)
Payments of lease liabilities related to spectrum licences	(14)	(46)	(1 748)	(1 574)	(2 483)
Payments of lease liabilities related to other lease contracts	(762)	(1 371)	(2 754)	(4 089)	(5 589)
Net payments of supply chain financing	38	32	(167)	(102)	21
Purchase of treasury shares	10	-	(1 724)	(27)	(27)
Dividends paid to and purchases of shares from non-controlling interests	(163)	(1 202)	(1 036)	(2 803)	(2 803)
Dividends paid to equity holders of Telenor ASA	-	-	(6 923)	(6 997)	(13 015)
Net cash flow from financing activities	(8 163)	(1 843)	(16 263)	(20 064)	(23 984)
Effects of exchange rate changes on cash and cash equivalents	7	774	597	854	600
Net change in cash and cash equivalents	(2 924)	6 729	(482)	(987)	(7 306)
Cash and cash equivalents at the beginning of the period ²⁾	12 120	9 269	9 677	16 985	16 985
Cash and cash equivalents at the end of the period ^{2) 3)}	9 195	15 998	9 195	15 998	9 677

¹⁾ Profit before taxes from total operations consists of:

Profit before taxes from continuing operations	4 568	2 102	6 805	6 430	9 339
Profit before taxes from discontinued operations	(71)	1 301	18 737	2 493	36 378
Profit before taxes from total operations	4 496	3 403	25 543	8 923	45 718

²⁾ Cash and cash equivalents include bank overdraft.

³⁾ As of 30 September 2023, restricted cash was NOK 11.7 million, while as of 30 September 2022, restricted cash was NOK 9.5 million.

Cash flow from discontinued operations ³⁾

NOK in million	Third quarter		First three quarters		Year
	2023	2022	2023	2022	2022
Net cash flow from operating activities	-	3 652	(502)	10 135	13 430
Net cash flow from investing activities	-	(1 000)	4 047	(5 380)	(12 533)
Net cash flow from financing activities	-	(1 115)	(624)	(3 248)	300
Total cash flows from discontinued operations	-	1 537	2 921	1 507	1 196
Effects of exchange rate changes on cash and cash equivalents	-	176	107	307	177
Net cash flows from discontinued operations	-	1 713	3 028	1 814	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	-	-	21 417	-	21 417	1 379	22 796
Other comprehensive income for the period	-	1 358	-	(1 608)	(250)	124	(126)
Total comprehensive income for the period	-	1 358	21 417	(1 608)	21 167	1 503	22 670
Transactions with non-controlling interests	-	-	7 621	-	7 621	1 115	8 736
Dividends	-	-	(13 017)	-	(13 017)	(1 038)	(14 055)
Share buy back	(87)	(1 632)	-	-	(1 719)	-	(1 719)
Share - based payment, exercise of share options and distribution of shares	-	60	-	-	60	-	60
Equity as of 30 September 2023	8 379	(20 961)	91 857	(5 030)	74 249	5 817	80 067

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)	26 295	5 205	31 500
Net income for the period	-	-	7 006	-	7 006	2 229	9 235
Other comprehensive income for the period	-	1 799	-	2 593	4 393	387	4 779
Total comprehensive income for the period	-	1 799	7 006	2 593	11 399	2 616	14 016
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	3	3
Dividends	-	-	(13 015)	-	(13 015)	(2 857)	(15 872)
Share - based payment, exercise of share options and distribution of shares	-	51	-	-	51	-	51
Equity as of 30 September 2022	8 466	(19 680)	37 972	(2 034)	24 730	4 968	29 698

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 nine months ending 30 September 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 956 for the full year, NOK 280 million in Q3 and NOK 544 million for first nine months.

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 from the first quarter of 2023 following a reorganisation of Telenor.

Operating segments

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

Nordics

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

Asia

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

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

Infrastructure

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

Amp

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

Other

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

Third 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	13 960	13 178	5.9 %	170	150	6 113	43.8 %	5 469	41.5 %	2 132	2 492
Asia	5 061	5 401	-6.3 %	160	181	2 825	55.8 %	3 575	66.2 %	318	410
Infrastructure	815	970	-16.0 %	611	749	524	64.2 %	524	54.0 %	189	234
Amp	1 209	1 199	0.8 %	107	167	383	31.7 %	421	35.1 %	26	35
Other	363	421	-13.9 %	253	393	(66)	-18.2 %	(66)	-15.8 %	1	1
Eliminations	(1 301)	(1 638)	-20.6 %	(1 301)	(1 638)	(527)	40.5 %	(636)	38.8 %	-	-
Group	20 108	19 531	2.9 %	-	-	9 251	46.0 %	9 287	47.5 %	2 666	3 172

First three quarters

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	41 518	38 832	6.9 %	497	470	17 168	41.4 %	16 024	41.3 %	7 074	7 010
Asia	14 892	15 871	-6.2 %	482	454	8 336	56.0 %	9 521	60.0 %	1 859	1 774
Infrastructure	2 538	2 510	1.1 %	1 947	1 957	1 538	60.6 %	1 366	54.4 %	577	620
Amp	3 599	3 275	9.9 %	342	478	1 036	28.8 %	1 091	33.3 %	121	135
Other	1 063	1 361	-21.9 %	823	1 282	(307)	-28.9 %	(251)	-18.4 %	5	1
Eliminations	(4 092)	(4 640)	-11.8 %	(4 092)	(4 640)	(1 674)	40.9 %	(1 961)	42.3 %	-	-
Group	59 518	57 210	4.0 %	-	-	26 097	43.8 %	25 790	45.1 %	9 637	9 540

Year 2022

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

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

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

Reconciliation of consolidated profit before tax and segment EBITDA

NOK in million	Third quarter		First three quarters		Year
	2023	2022	2023	2022	2022
Profit (loss) before taxes	4 567	2 102	6 805	6 430	9 339
Share of net income from associate companies and joint ventures	23	(93)	(269)	(264)	(301)
Net financial items	(442)	(2 785)	(6 122)	(5 122)	(5 503)
Operating profit (loss)	4 987	4 980	13 195	11 816	15 143
Depreciation and amortisation	(4 116)	(4 171)	(12 341)	(12 751)	(17 114)
Impairment losses	-	20	-	(2 480)	(2 502)
EBITDA	9 103	9 130	25 536	27 047	34 758
Other income	54	6	73	1 926	1 945
Other expenses	(202)	(163)	(634)	(669)	(1 016)
EBITDA before other income and other expenses	9 251	9 287	26 097	25 790	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.

Third 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	3 514	2 229	-	5 743	480	6 223	86	6 308
Telenor Sweden	1 814	787	-	2 601	411	3 011	58	3 070
Telenor Denmark	1 076	157	-	1 233	299	1 531	8	1 540
DNA Finland	1 851	616	-	2 467	565	3 032	8	3 040
Other/eliminations	(18)	(28)	50	4	(2)	2	-	2
Nordics	8 236	3 761	50	12 047	1 753	13 800	161	13 960
Grameenphone - Bangladesh	3 891	-	-	3 891	1	3 892	49	3 941
Telenor Pakistan	1 074	-	-	1 074	1	1 075	32	1 107
Other/eliminations	-	-	13	13	-	13	-	13
Asia	4 964	-	13	4 977	3	4 980	81	5 061
Infrastructure	-	-	19	19	-	19	796	815
Amp	-	743	466	1 209	-	1 209	-	1 209
Other	-	-	305	305	-	305	57	363
Eliminations	(242)	(116)	(308)	(665)	(1)	(667)	(634)	(1 301)
Group	12 959	4 388	545	17 892	1 754	19 646	461	20 108

- 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 three quarters 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	10 556	6 632	-	17 188	1 519	18 707	257	18 964
Telenor Sweden	5 407	2 454	-	7 861	1 189	9 049	162	9 211
Telenor Denmark	3 098	469	-	3 567	923	4 490	25	4 515
DNA Finland	5 381	1 848	-	7 229	1 534	8 763	25	8 788
Other/eliminations	(42)	(83)	168	42	(2)	40	-	40
Nordics	24 400	11 319	168	35 886	5 163	41 049	469	41 518
Grameenphone - Bangladesh	11 420	-	-	11 420	4	11 424	143	11 567
Telenor Pakistan	3 184	-	-	3 184	5	3 189	93	3 282
Other/eliminations	-	-	44	44	-	44	-	44
Asia	14 604	-	44	14 647	9	14 656	236	14 892
Infrastructure	-	-	78	78	-	78	2 460	2 538
Amp	-	2 324	1 275	3 599	-	3 599	-	3 599
Other	-	-	923	923	-	923	140	1 063
Eliminations	(697)	(382)	(1 007)	(2 086)	(5)	(2 091)	(2 000)	(4 092)
Group	38 306	13 261	1 481	53 047	5 167	58 215	1 304	59 518

- 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.

Third 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
NOK in millions								
Telenor Norway	3 517	2 189	-	5 706	588	6 294	83	6 376
Telenor Sweden	1 673	777	-	2 450	463	2 913	33	2 946
Telenor Denmark	948	136	-	1 084	289	1 373	8	1 381
DNA Finland	1 519	517	-	2 035	458	2 493	8	2 501
Other/eliminations	(41)	(19)	34	(26)	(0)	(26)	(0)	(26)
Nordics	7 616	3 600	34	11 249	1 798	13 047	131	13 178
Grameenphone - Bangladesh	3 971	-	-	3 971	6	3 977	48	4 024
Telenor Pakistan	1 284	-	-	1 284	2	1 286	34	1 320
Other/eliminations	-	-	57	57	-	57	-	57
Asia	5 255	-	57	5 311	8	5 319	82	5 401
Infrastructure	-	-	18	18	-	18	952	970
Amp	-	815	384	1 199	-	1 199	-	1 199
Other	-	-	372	372	-	372	49	421
Eliminations	(231)	(155)	(479)	(865)	(3)	(868)	(771)	(1 638)
Group	12 639	4 260	386	17 285	1 804	19 088	443	19 531

- 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 three quarters 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	10 323	6 644	-	16 967	1 667	18 634	247	18 881
Telenor Sweden	4 914	2 364	-	7 278	1 293	8 571	99	8 670
Telenor Denmark	2 769	389	-	3 159	856	4 015	21	4 036
DNA Finland	4 446	1 595	-	6 040	1 214	7 254	23	7 277
Other/eliminations	(101)	(53)	121	(33)	0	(33)	(0)	(33)
Nordics	22 351	10 939	121	33 411	5 031	38 442	390	38 832
Grameenphone - Bangladesh	11 624	-	-	11 624	20	11 644	140	11 783
Telenor Pakistan	3 817	-	-	3 817	8	3 825	106	3 930
Other/eliminations	-	-	157	157	-	157	-	157
Asia	15 441	-	157	15 598	28	15 626	245	15 871
Infrastructure	-	-	61	61	-	61	2 449	2 510
Amp	-	2 297	978	3 275	-	3 275	-	3 275
Other	-	-	1 240	1 240	-	1 240	121	1 361
Eliminations	(615)	(454)	(1 547)	(2 615)	(6)	(2 621)	(2 019)	(4 640)
Group	37 177	12 783	1 011	50 971	5 053	56 024	1 186	57 210

- 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 Telenor is having a 30.2% ownership interest in the listed company True Corporate Public Company Ltd (True) as of 30 September 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 three quarters 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 September 2023	31 December 2022	30 September 2022
Balance as of 1 January	39 686	5 683	5 683
Additions	22 305	35 089	188
Disposals ¹⁾	(67)	(433)	(47)
Impairment ²⁾	(376)	-	-
Share of net income (losses) ³⁾	108	(230)	(218)
Share of other comprehensive income	(53)	46	28
Dividends received	(956)	(575)	(98)
Translation differences	404	106	564
Closing balance	61 050	39 686	6 099
Of which investment in CelcomDigi ⁴⁾	34 828	34 436	-
Of which investment in True (direct interest) ⁵⁾	21 484	-	-
Of which investment in Carousell	2 762	2 660	2 956
Of which investment in Allente	1 314	1 369	1 526
Of which investment in Telenor Microfinance Bank Limited	368	828	845
Of which investment in others	295	394	772

¹⁾ Mainly relates to discontinuance of dtac in first quarter, disposal of Wave Money and dilution of economic interest in Carousell 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 preliminary allocated to goodwill NOK 21.2 billion as of 30 September 2023.

⁵⁾ Of which preliminary allocated to goodwill NOK 13.8 billion as of 30 September 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 September 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 a net decline in the market value of True during the period, the receivable towards the joint venture have been impaired by NOK 433 million. The carrying amount of the receivable as of 30 September 2023 is NOK 2.7 billion.

In the second quarter 2023, Telenor reassessed the fair value of the joint venture Telenor Microfinance Bank in Pakistan. The underlying operation in Telenor Microfinance Bank is performing well. However, due to increased macroeconomic uncertainty, reflected through increased weighted average cost of capital, the estimated fair value is below the carrying amount of Telenor Microfinance Bank. An impairment 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 21.5 billion as of 30 September 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 second quarter results of True, together with the statement of financial position, is included in Telenor's third quarter 2023 report. Telenor's share of profit for the first three quarters reflects Telenor's direct weighted average ownership share during the period of 27.3%, which consists of 19.6% directly owned shares through the entire month of March, 1.3% acquired 21 March 2023, and 5.4% acquired 17 April 2023.

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

NOK in millions	Third quarter	First three quarters
	2023	2023
Statement of comprehensive income		
Revenue	14 876	17 797
EBITDA	6 472	7 898
Depreciation and amortisation	(5 003)	(5 860)
Net financial items	(1 586)	(1 926)
Income tax expense	(602)	(639)
Net income	(706)	(517)
Other comprehensive income(loss)	(7)	(16)
Total comprehensive income (loss)	(713)	(534)
Group's weighted average ownership in %	25.4	27.3
Group's share of net income	(179)	(141)
Group's share of other comprehensive income (loss)	(2)	(4)
Group's share of total comprehensive income (loss)	(181)	(146)

NOK in millions	30 September 2023
Statement of financial position	
Non-current assets	194 626
Current assets excluding cash and cash equivalents	22 594
Cash and cash equivalents	5 788
Non-current non-interest bearing liabilities	(6 991)
Non-current interest bearing liabilities	(113 698)
Current non-interest bearing liabilities	(73 183)
Non-controlling interests	(113)
Total equity to shareholders of parent company	29 022
Group's share of equity	7 639
Goodwill related to the Group's investment	13 845
Carrying amount of investment	21 484
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 38.5 billion as of 30 September 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 second quarter results of CelcomDigi is included in Telenor's third quarter 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	Third quarter		First three quarters	
	2023		2023	
Statement of comprehensive income				
Revenue	7 134		17 180	
EBITDA	3 386		7 806	
Depreciation and amortisation ¹⁾	(2 078)		(5 269)	
Net financial items	(339)		(810)	
Income tax expense	(249)		(531)	
Net income	720		1 196	
Other comprehensive income(loss)	-		-	
Total comprehensive income (loss)	720		1 196	
Group's ownership in %	33.1		33.1	
Group's share of net income	238		396	
Group's share of other comprehensive income (loss)	-		-	
Group's share of total comprehensive income (loss)	238		396	

¹⁾ Of which Telenor specific excess value amortisation of NOK 35 million for the third quarter and NOK 85 million for the first three quarters.

NOK in millions	30 September 2023		31 December 2022	
	Statement of financial position			
Non-current assets	78 793		77 836	
Current assets excluding cash and cash equivalents	8 088		9 593	
Cash and cash equivalents	1 041		7 744	
Non-current non-interest bearing liabilities	(4 244)		(6 978)	
Non-current interest bearing liabilities	(26 666)		(33 310)	
Current non-interest bearing liabilities	(15 581)		(8 194)	
Non-controlling interests	(234)		-	
Total equity to shareholders of parent company	41 197		46 691	
Group's share of equity	13 636		15 455	
Goodwill related to the Group's investment	21 192		18 981	
Carrying amount of investment	34 828		34 436	
Dividends received	857		283	

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	Third quarter		First three quarters		Year
	2023	2022	2023	2022	
Statement of comprehensive income					
Revenue	1 646	1 596	4 914	4 820	6 472
EBITDA	247	291	596	838	1 181
Depreciation and amortisation	(242)	(242)	(802)	(734)	(1 052)
Net financial items	(25)	(14)	(80)	(34)	(62)
Income tax expense	(24)	(35)	(25)	(94)	(123)
Net income	78	120	90	342	470
Other comprehensive income(loss)	25	23	(102)	45	83
Total comprehensive income (loss)	103	143	(11)	388	553
Group's ownership in %	50	50	50	50	50
Group's share of net income	39	60	45	171	235
Group's share of other comprehensive income (loss)	13	11	(51)	23	42
Group's share of total comprehensive income (loss)	51	71	(6)	194	277

NOK in millions

30 September 2023

31 December 2022

30 September 2022

Statement of financial position

Non-current assets	4 166	4 401	4 685
Current assets excluding cash and cash equivalents	1 710	1 781	1 790
Cash and cash equivalents	354	144	350
Non-current non-interest bearing liabilities	(388)	(442)	(456)
Non-current interest bearing liabilities	(2 054)	(1 948)	(2 077)
Current non-interest bearing liabilities	(1 962)	(1 971)	(2 040)
Total equity to shareholders of parent company	1 826	1 964	2 251
Group's share of equity	913	982	1 126
Goodwill related to the Group's investment	401	387	401
Carrying amount of investment	1 314	1 369	1 526
Dividends received	99	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	Third quarter		First three quarters		Year
	2023	2022	2023	2022	2022
Revenue	-	8 896	4 030	27 282	35 457
EBITDA	-	3 761	1 360	11 794	15 001
EBIT	-	1 473	368	5 169	6 406
Profit (loss) before tax	-	1 154	210	4 188	5 130
Income taxes	-	(254)	(185)	(922)	(1 149)
Profit (loss) after tax	-	901	25	3 266	3 982
Gain (loss) on disposal after tax	(71)	147	18 527	(1 695)	31 248
Profit (loss) from discontinued operations	(71)	1 047	18 552	1 571	35 230
Non-controlling interest	-	346	(19)	1 003	1 295

The loss on disposal recognised in the third quarter 2023 is 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 gain on disposal recognised during third quarter 2022 was related to final consideration received for the disposal of Telenor Myanmar of NOK 268 million, partly offset by accrual of incremental interest and currency effect on AGR provision against DoT in India.

The gain on disposal recognised in the first nine months of 2023 is mainly related to dtac and gain adjustment from Digi, offset by accruals of incremental interest and currency effects related to Telenor India. The loss on disposal recognised during the first nine months of 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.

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

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

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

NOK in million	Third quarter		First three quarters		Year
	2023	2022	2023	2022	2022
Revenue	-	5 496	4 030	16 342	22 076
EBITDA	-	2 082	1 360	6 261	8 358
EBIT	-	476	368	1 617	2 203
Profit (loss) before tax	-	258	210	1 018	1 393
Income taxes	-	5	(185)	(15)	(95)
Profit (loss) after tax	-	262	25	1 004	1 298
Gain (loss) on disposal after tax	-	-	18 522	-	-
Profit (loss) from discontinued operations	-	262	18 546	1 004	1 298
Non-controlling interest	-	47	(19)	209	296

Digi

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

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

other comprehensive income, were reclassified and included in the gain calculation. The success fee to advisors of NOK 155 million was included in the gain calculation.

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

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

NOK in million	Third quarter		First three quarters		Year
	2023	2022	2023	2022	2022
Revenue	-	3 400	-	9 921	12 362
EBITDA	-	1 679	-	4 916	6 026
EBIT	-	997	-	2 935	3 586
Profit (loss) before tax	-	897	-	2 567	3 136
Income taxes	-	(258)	-	(857)	(1 004)
Profit (loss) after tax	-	639	-	1 710	2 132
Gain (loss) on disposal after tax	-	-	290	-	32 652
Profit (loss) from discontinued operations	-	639	290	1 710	34 784
Non-controlling interest	-	299	-	794	999

The gain recognised in the first nine months 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	Third quarter		First three quarters		Year
	2023	2022	2023	2022	2022
Revenue	-	-	-	1 018	1 018
EBITDA	-	-	-	617	617
EBIT	-	-	-	617	617
Profit (loss) before tax	-	-	-	603	602
Income taxes	-	-	-	(50)	(50)
Profit (loss) after tax	-	-	-	553	553
Gain (loss) on disposal after tax	-	268	-	(589)	(589)
Profit (loss) from discontinued operations	-	268	-	(36)	(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 September 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 September	30 September	31 December
	2023	2022	2022
Liabilities			
Non-current liabilities	-	-	-
Current liabilities	3 770	5 228	4 735
Total liabilities held for sale	3 770	5 228	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 September	30 September	31 December
	2023	2022	2022
Digi	-	504	-
Dtac	-	3 883	3 802
Telenor India	(957)	(852)	(636)
Total gain (loss)	(957)	3 535	3 166

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 September 2023	
	Carrying amount	Fair value
Interest-bearing liabilities ¹⁾	(77 968)	(69 259)
of which fair value level 1	-	(67 142)
of which fair value level 2	-	(2 118)

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

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	31 December	30
	September	2022	September
Other non-current assets	1 305	986	771
Other current financial assets	496	33	389

Non-current non-interest-bearing financial liabilities	(1 165)	(1 455)	(2 651)
Non-current interest-bearing financial liabilities	(3 870)	(3 652)	(3 578)
Current non-interest-bearing liabilities	(524)	(386)	(557)
Current interest-bearing liabilities	-	(10)	-
Total	(3 758)	(4 485)	(5 627)

Note 8 – Equity information

Significant transactions with non-controlling interests

Two major transactions are reflected in transaction with non-controlling interests in the first nine months 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 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.

On 18 August 2023, the Norwegian government filed an appeal to the Supreme Court on both the issue of Telenor's ownership stake and whether the loss finally has been determined within the period of 2013-2017. On 6 September 2023, Telenor ASA filed a derivative appeal on the timing issue. We expect the decision from Appellate Committee in Supreme Court in November 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. Legal disputes with significant developments since year-end are summarised in this note. There have not been any significant developments in legal disputes in Q3 2023. The BTRC audit development described below occurred in Q2 2023.

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 8.3 billion to BTRC (NOK 2.2 billion in principal and NOK 6.0 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 4.0 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 12.3 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.

Note 11 – Events after the reporting period

Telenor ASA – Issuance of bonds

On 3 October 2023, Telenor ASA completed the issuance of two bonds under the company's EMTN program. The bonds amounted to EUR 1 billion:

- EUR 500 million, fixed coupon 4.00%, maturity 3 October 2030,
- EUR 500 million, fixed coupon 4.25%, maturity 3 October 2035.

The proceeds will be used for general corporate purposes. The bonds are listed on the Luxembourg Stock Exchange.

Working Group 2 – closing of transaction

On 24th October, Telenor closed the transaction of its 44.6% stake (fully diluted basis) in Working Group Two to Cisco at an enterprise value of USD 150 million, of which approximately USD 62 million will be paid to Telenor. Cisco will acquire all shares of Working Group Two and the company will be fully incorporated into Cisco.

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	59 518	57 210	2 308	4.0 %
Impact using exchange rates for 2023	-	520	(520)	
M&A	-	(26)	26	
Organic revenue	59 518	57 704	1 815	3.1 %

NOK in million	Third quarter		Change third quarter	
	2023	2022	2023	Change YTD
Total revenue	20 108	19 531	576	2.9 %
Impact using exchange rates for 2023	105	240	(135)	
Organic revenue	20 213	19 771	441	2.2 %

NOK in million	Third quarter		Change third quarter	
	2022	2021	2022	Change YoY
Total revenue	19 531	19 016	515	2.7 %
Impact using exchange rates for 2022	81	(434)	515	
M&A	-	(73)	73	
Organic revenue	19 612	18 508	1 103	6.0 %

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	46 467	44 775	1 691	3.8%
Impact using exchange rates for 2023	-	62	(62)	
Organic service revenues	46 467	44 837	1 629	3.6%

NOK in million	Third quarter		Change third quarter	
	2023	2022	2023	Change YTD
Service revenues	15 775	15 227	548	3.6%
Impact using exchange rates for 2023	94	87	7	
Organic service revenues	15 869	15 314	555	3.6%

NOK in million	Third quarter		Change third quarter	
	2022	2021	2022	Change YoY
Service revenues	15 227	14 760	466	3.2%
Impact using exchange rates for 2022	77	(322)	399	
Organic service revenues	15 304	14 439	865	6.0%

Service revenues

NOK in million	Third quarter		First three quarters		Year
	2023	2022	2023	2022	2022
Total revenues	20 108	19 531	59 518	57 210	76 877
Less: Handsets and other devices	(1 754)	(1 804)	(5 167)	(5 053)	(7 078)
Less: Lease revenues	(461)	(443)	(1 304)	(1 186)	(1 645)
Revenues from rendering of services	17 892	17 285	53 047	50 971	68 154
Less: Revenue from other operators	(1 546)	(1 554)	(4 713)	(4 609)	(6 231)
Less: Other revenues	(571)	(504)	(1 867)	(1 586)	(2 163)
Service revenues	15 775	15 227	46 467	44 775	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	45 647	44 264	1 382	3.1 %
Impact using exchange rates for 2023	-	(117)	117	
M&A	-	(29)	29	
Organic gross profit	45 647	44 118	1 528	3.5 %

NOK in million	Third quarter		Change third quarter	
	2023	2022	2023	Change YoY
Gross profit	15 582	15 232	350	2.3 %
Impact using exchange rates for 2023	85	(54)	139	
Organic gross profit	15 668	15 178	490	3.2 %

NOK in million	Third quarter		Change third quarter	
	2022	2021	2022	Change YoY
Gross profit	15 232	14 895	337	2.3 %
Impact using exchange rates for 2022	72	(309)	382	
M&A	-	(81)	81	
Organic gross profit	15 305	14 505	800	5.5 %

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	19 550	18 474	1 076	5.8 %
Impact using exchange rates for 2023	-	179	(179)	
M&A	-	(1)	1	
Organic operational expenses	19 550	18 652	898	4.8 %

NOK in million	Third quarter		Change third quarter	
	2023	2022	2023	Change YoY
Operational expenses	6 331	5 946	385	6.5 %
Impact using exchange rates for 2023	33	63	(30)	
Organic operational expenses	6 364	6 009	355	5.9 %

NOK in million	Third quarter		Change third quarter	
	2022	2021	2022	Change YoY
Operational expenses	5 946	5 847	99	1.7 %
Impact using exchange rates for 2022	26	(132)	158	
M&A	-	(3)	3	
Organic operational expenses	5 972	5 712	260	4.5 %

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	26 097	25 790	307	1.2%
Impact using exchange rates for 2023	-	(296)	296	
M&A	-	(28)	28	
Organic EBITDA	26 097	25 466	631	2.5%

NOK in million	Third quarter		Change third quarter	
	2023	2022	2023	Change YoY
EBITDA	9 251	9 287	(35)	-0.4%
Impact using exchange rates for 2023	52	(117)	170	
Organic EBITDA	9 304	9 169	134	1.5%

NOK in million	Third quarter		Change third quarter	
	2022	2021	2022	Change YoY
EBITDA	9 287	9 048	239	2.6%
Impact using exchange rates for 2022	46	(177)	224	
M&A	-	(78)	78	
Organic EBITDA	9 333	8 793	540	6.1%

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	Third quarter		First three quarters		Year
	2023	2022	2023	2022	2022
Purchases of PPE, intangible assets and prepayments for right-of-use assets	3 191	4 428	11 558	14 584	19 298
Capex related working capital and other changes	(467)	(341)	(1 213)	(884)	(676)
Deferred lease obligations including licences	939	1 224	4 175	5 887	9 113
Less:					
Discontinued operations	-	(1 499)	(816)	(4 866)	(5 906)
Total Capex incl. leases	3 663	3 812	13 705	14 720	21 829
Licence and spectrum acquisition	(68)	52	(699)	(2 688)	(4 592)
Other leases	(929)	(691)	(3 369)	(2 492)	(3 677)
Capex excl. lease	2 666	3 172	9 637	9 540	13 560
Total revenues	20 108	19 531	59 518	57 210	76 877
Capex excl. lease/Revenues (%)	13.3 %	16.2 %	16.2 %	16.7 %	17.6 %
Total Capex/Revenues (%)	18.2 %	19.5 %	23.0 %	25.7 %	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	Third quarter		First three quarters		Year
	2023	2022	2023	2022	2022
Capital expenses	3 663	3 812	13 705	14 720	21 829
Investments in businesses	(5)	21	5 830	194	965
Investments	3 658	3 833	19 535	14 914	22 794

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

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

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

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

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

Reconciliation

NOK in million	30 September 2023	31 December 2022	30 September 2022
Non-current interest-bearing liabilities	72 273	82 724	89 408
Non-current lease liabilities	13 635	24 417	29 588
Current interest-bearing liabilities	5 696	9 169	9 937
Current lease liabilities	4 323	6 674	7 816
Less:			
Cash and cash equivalents	(9 710)	(9 929)	(16 224)
Hedging instruments	-	(27)	(6)
Financial instruments	(266)	(277)	(296)
Adjustments:			
Non-current licence obligations	(4 265)	(11 944)	(14 228)
Current licence obligations	(1 280)	(2 931)	(2 944)
Net interest-bearing debt excluding licence obligations	80 404	97 875	103 053

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 three quarters		Year
	2023	2022	2022
A - Net debt	80 404	103 053	97 875
B - EBITDA before other items	34 137	48 964	42 374
C - Dividends from associates and joint ventures	1 995	-	1 376
D - Leverage ratio D=A/(B+C)	2.2	2.1	2.2

Dividend from associated companies and joint ventures for the full year 2022 includes dividends from Digi as a subsidiary on a proforma basis of NOK 0.8 billion before merger with Celcom. Dividends from associated companies and joint ventures during last twelve months of the period ending 30 September 2023 includes dividend from Digi and dtac as subsidiaries on proforma basis of NOK 0.6 billion. EBITDA before other items for the full year 2022 includes EBITDA before other items contribution from dtac. EBITDA before other items for last twelve months of the period ending 30 September 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	Third quarter		First three quarters		Year
	2023	2022	2023	2022	2022
Net cash flows from operating activities	8 405	10 853	20 200	29 857	39 222
Net cash flows from investing activities	(3 174)	(3 056)	(5 017)	(11 634)	(23 145)
Payments of lease liabilities related to spectrum licences	(14)	(46)	(1 748)	(1 575)	(2 484)
Payments of lease liabilities related to other lease contracts	(762)	(1 371)	(2 754)	(4 088)	(5 589)
Repayments of borrowings - supply chain financing	38	32	(167)	(102)	21
Dividends paid to and purchase of shares from non-controlling interest	(163)	(1 202)	(1 036)	(2 802)	(2 802)
Adjustment for payment to Axiata by CelcomDigi after the merger	-	-	-	-	5 381
Free cash flow	4 331	5 211	9 479	9 656	10 604
M&A activities	1	1 255	4 909	2 337	738
Free cash flow before M&A activities	4 330	3 955	4 569	7 320	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 three quarters		Year
	2023	2022	2022
Operating profit	16 523	14 677	15 143
Share of net income (loss) including gains/losses from associated companies and joint ventures	(305)	(438)	(301)
Income taxes	(786)	485	3 009
A - Earnings	15 431	14 724	17 851
B - Telenor's share of earnings from CelcomDigi	396	-	-
B - Telenor's share of earnings from True Corp	(141)	-	-
C - Adjusted earnings (C=A-B)	15 177	14 724	17 851
Total equity as of beginning of the period	29 697	30 956	31 500
Net interest-bearing debt including licence obligations as of beginning of the period	120 224	113 018	115 543
Net pension obligations as of beginning of the period	2 371	2 711	2 429
D - Total capital employed as of beginning of the period	152 293	146 685	149 472
Total equity as of end of the period	80 068	29 697	64 375
Net interest-bearing debt including licence obligations as of end of the period	85 949	120 224	112 750
Net pension obligations as of end of the period	1 758	2 371	1 919
E - Total capital employed as of end of the period	167 775	152 293	179 045
F - Average capital employed before adjustments (F=(D+E)/2)	160 034	149 489	164 258
G - Adjustment for Telenor Myanmar and Canal Digital	-	53	(117)
G - Adjustment for Digi's capital employed	6 441	12 206	6 026
G - Adjustment for dtac's capital employed	19 764	38 702	37 823
G - Adjustment for CelcomDigi	17 414	-	17 218
G - Adjustment for True Corporation	10 742	-	-
H - Average capital employed (H=F-G)	105 673	98 528	103 308
I - Return on capital employed (I=C/H)	14%	15%	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