



# First quarter – 2023

Interim report  
January – March 2023

telenor group

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# Highlights – First quarter 2023 <sup>1)</sup>



## Solid strategy execution

- Service revenues were NOK 14.9 billion, which is an increase of NOK 0.4 billion or 2% compared to the same period last year. On an organic basis, service revenues increased by 3%.
- Reported opex increased by NOK 0.3 billion. Organic opex increased by NOK 0.3 billion or 4%.
- Reported EBITDA before other items was NOK 8.1 billion and was stable on reported basis but increased by 2% on an organic basis.
- Net income attributable to equity holders of Telenor ASA was NOK 18.1 billion for the quarter. A gain of NOK 18.5 billion was recognised upon closure of the merger between dtac and True in Thailand.
- With the completion of the merger in Thailand on 1 March 2023 and the merger between Digi and Celcom in Malaysia on 30 November 2022, dtac and Digi as subsidiaries are de-consolidated and the historical income statement figures are reclassified to discontinued operations, see note 4. Telenor's share of net income of the merged entities is recognised with a one quarter lag. Accordingly, results of CelcomDigi in Malaysia recognised this quarter is for the month of December 2022 only, and the results of True Corporation for the month of March 2023 will be recognised in the second quarter.
- Total free cash flow was NOK 5.7 billion for the quarter, including positive contribution from M&A activities of NOK 5.3 billion mainly related to the partial sale of the fibre infrastructure company in Norway, partly offset by the merger transaction in Thailand and India guarantee payment. Free cash flow before M&A activities was NOK 0.4 billion.
- The leverage ratio at the end of the quarter was 2.1x, which is a decrease of 0.1x compared to the end of the previous quarter.

## Key figures Telenor Group

NOK in million	First quarter		Year
	2023	2022	2022
Service revenues	14 851	14 500	59 760
Organic service revenue growth (%)	3%	1%	3%
Total Revenues	19 187	18 431	76 877
Organic revenue growth (%)	4%	2%	4%
Operating expenses	(6 441)	(6 143)	(25 229)
EBITDA before other income and other expenses	8 078	8 048	33 830
Organic EBITDA growth (%)	2%	-2%	1%
Operating profit	3 834	5 393	15 143
Net income from associated companies and joint ventures	(191)	(104)	(301)
Net income attributable to equity holders of Telenor ASA	18 146	6 570	44 913
Capex excl. lease	3 535	2 916	13 560
Free cash flow before M&A	431	2 434	9 866
Total free cash flow	5 666	3 589	10 604
Leverage	2.1	1.9	2.2

<sup>1)</sup> Please refer to page 38 for Definitions and descriptions of Alternative Performance Measures.



Sigve Brekke

### Solid strategy execution

Half a year has passed since we set a new strategic direction for Telenor at the Capital Markets Day. Since then, I'm pleased to see that we have been able to demonstrate solid execution across all four business areas.

We have completed the two largest telecom mergers in South-East Asia, allowing for stronger market positions and realisation of significant synergies. We have realised value with the sale of 30% of our Norwegian passive fibre infrastructure. The Nordic top-line growth, which was demonstrated last year, is reconfirmed this quarter. We also see solid performance from the consolidated companies in the Amp portfolio, supporting the values we indicated for this business area.

The financial development this quarter is in line with our expectations. Telenor supports the rapid digitalisation of the Nordic societies through investing in 5G networks and services. The underlying mobile service revenue growth was 5%, and the fixed business is turning positive after completion of the copper decommissioning. This is a strong testimony to the growth potential in the region, and I am proud to say that we are, perhaps, the world's first legacy-free incumbent. Going forward, we will continue with our Nordic modernisation agenda to drive profitable growth.

Telenor Infrastructure delivers double digit growth in revenues, underlining the importance of modernisation programmes, by reporting a reduction in fixed energy consumption in Norway of 27%. This is both operationally important, and an important part of our ESG agenda.

This quarter we see good traction on our climate ambitions. We have already committed to science-based targets for reduction in our own CO2 emissions, and this quarter we have also signed up to become a Net Zero company. Furthermore, our dialogue with vendors to set science-based climate targets for their emissions is now gaining results.

In February, we closed the partial sale of passive fibre infrastructure in Norway, ensuring continued fibre roll-out and strengthening our balance sheet. Parts of the proceeds are being used for a share buyback program to compensate for the minority leakage and thus neutralise the effect on future cash flows.

I'm also pleased to see Telenor Amp reporting an impressive revenue growth of 25%, driven by the positive development in all consolidated assets. In Connexion, increased SIM shipment and increased IoT revenues confirms Telenor's IoT strategy. Linx reported solid growth in messaging revenues and Telenor Maritime almost doubled its revenues compared to the same quarter last year.

Finally, I am especially glad to see the completion of the merger in Thailand this quarter. I visited the operation in March, and I am excited to see our plans coming through in execution. We have established a sound corporate governance framework for the merged company and are benefitting from Telenor's significant efforts in this area over many years. When it comes to operational improvements and synergies, our procurement company, TPC, is one example where we can leverage the Telenor eco-system to bring value to the new company. Together with the transaction in Malaysia, this represents the two largest telecom mergers in the region. We are now ready to embark on the task to realise synergies which are expected to create value of NOK 20-25 billion for our shareholders. In Bangladesh, I am impressed by how our organisation adapted to the SIM restrictions imposed in July last year, and focused on creating growth in its existing customer base by offering more tailored and personalised services. From my recent visit in March, I see how Bangladesh has embraced digitalisation post Covid and how we, through Grameenphone, play a central role in advancing the country.

Our industry is a key enabler for economic growth. This quarter we had high investment activities, especially in the Nordic as Sweden's 5G roll-out ramps up. However, as our 5G networks in Finland and Norway are approaching high coverage, the outlook of 17% Nordic capex to sales for 2023 is maintained. The Nordics stand out as an attractive region, with advanced demands and ability to pay for the value we provide. Digitalisation is an important enabler for solving key challenges for the society. Telenor plays a key role in ensuring that the digital shift is for all, while also being safe and green. There will be more demand for resilient, digital infrastructure, and there will be more demand for the services we provide. We are confident our strategy is set up to deliver on this, and I am pleased we report results already this quarter.



## Mid-term financial targets

- 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 our adjacent businesses. We manage the portfolio of assets within Amp with a develop-or-divest approach. Our ambition is to develop leading Nordic service positions in selected high-growth segments like IoT and security, and selected investments within prioritised areas.

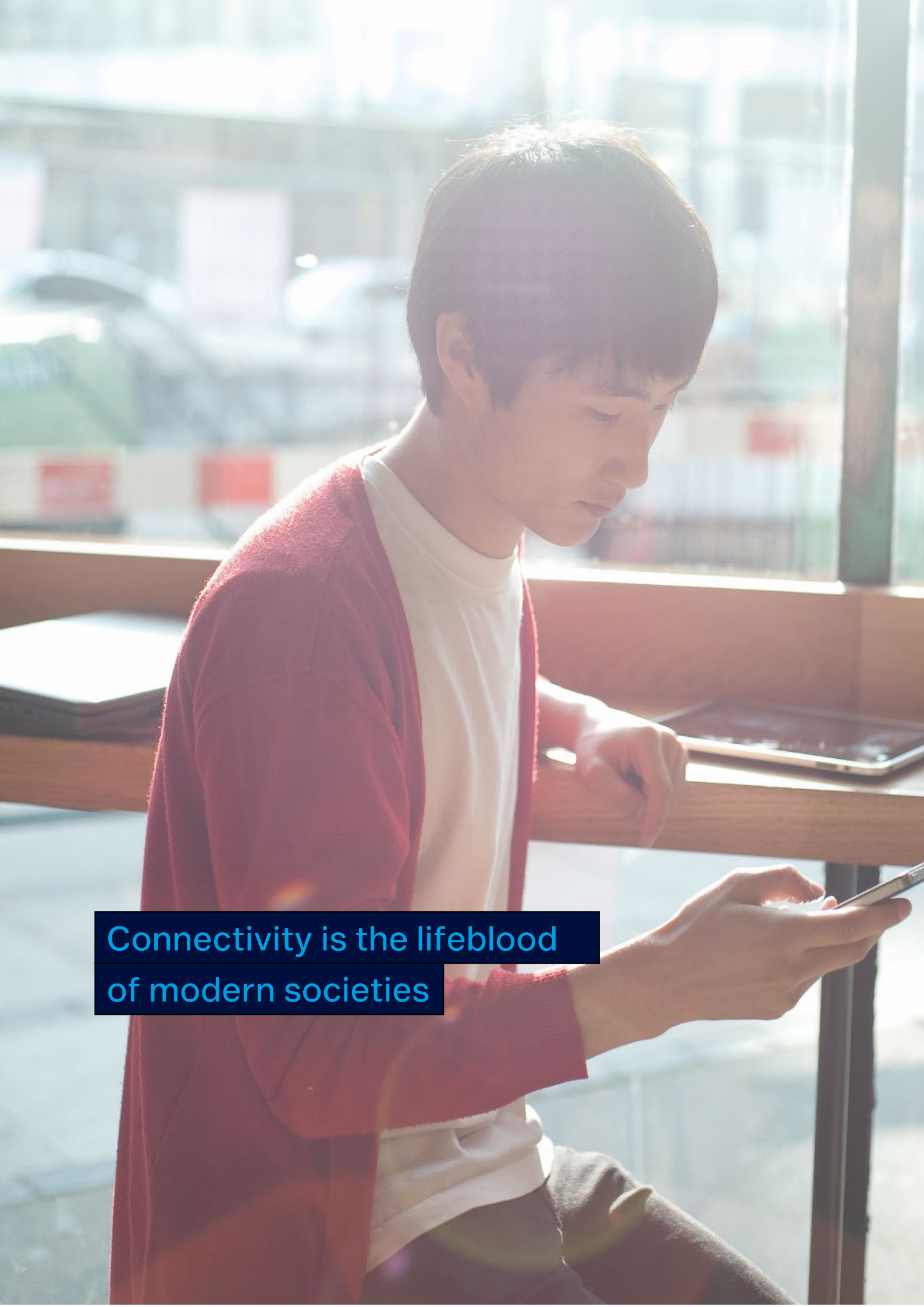
Our **responsible business conduct** is a differentiator, and across our markets, we have set ESG targets reflecting our ambitions. We attract partners who appreciate our high governance standards. We earn trust as a positive contributor to societies, with inclusion and online safety as our strongest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

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

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

## 2023 financial outlook

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

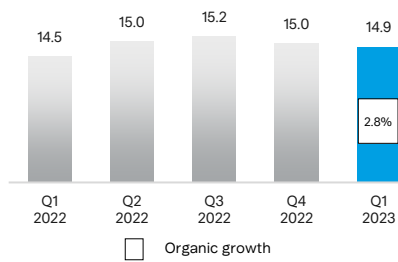


Connectivity is the lifeblood  
of modern societies

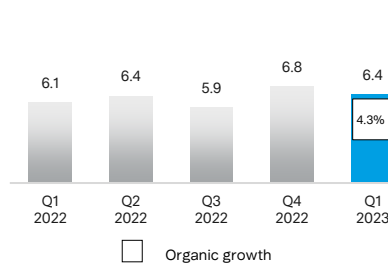
# Group financial overview



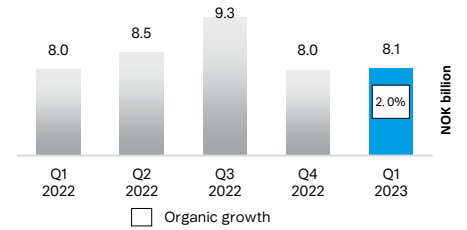
## Service revenues



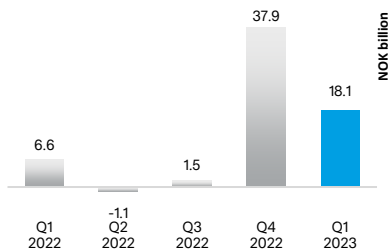
## Opex



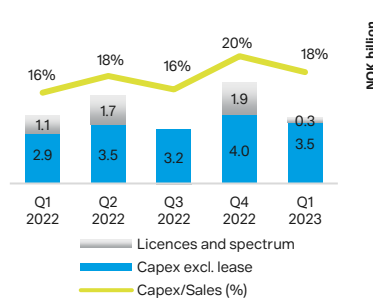
## EBITDA before other items



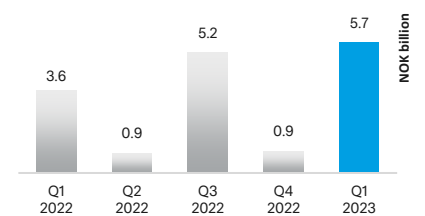
## Net income



## Capex excl. lease



## Free cash flow



<sup>1)</sup> The comments are related to Telenor's development in the first quarter of 2023 compared to the first quarter of 2022 and are based on current Group structure unless otherwise stated. Please refer to page 38 for Definitions and descriptions of Alternative Performance Measures.

## Service revenues

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

In the Nordics, the service revenues growth was mainly driven by mobile, following increasing demand for value-added services, higher roaming revenues and larger subscriber bases in Sweden and Finland. In addition, price adjustments in all markets contributed to an increase in mobile ARPU. Total service revenues grew by 3% and mobile service revenues grew by 4%. Total service revenues and mobile service revenues were impacted negatively by 1 percentage point due to a contractual dispute in Denmark, see more details in the business area Nordics.

In Asia, Grameenphone in Bangladesh continued to grow service revenues as a result of price adjustments and increased data usage. In Pakistan, service revenues continued to be impacted by the macro-economic environment. Total service revenues in Asia grew by 2%.

The Group's service revenue growth was also supported by good development in Amp, with Telenor Maritime and the IoT provider Telenor Connexion growing their organic service revenues by 73% and 21%, respectively.

## Operating expenses (Opex)

Reported opex increased by NOK 0.3 billion in the quarter. On an organic basis, opex increased by NOK 0.3 billion, or 4%. The increase was driven by higher energy costs in Asia, increased personnel cost, and higher sales and marketing costs in the Nordics. The impact of inflation particularly on energy and personnel cost is partly mitigated by continuous efficiency measures.

## EBITDA before other income and other expenses

Organic EBITDA before other items grew by 2% but increased by 3% when adjusting for a contractual dispute in Denmark. Positive contribution from growth in service revenues was partly offset by increased energy cost and reduced copper revenues in Norway, and these items had a combined negative EBITDA impact of 4 percentage points. Reported EBITDA before other items increased slightly, as the organic increase was partly offset by net negative currency effects mainly related to depreciation of Bangladeshi Taka and Pakistani Rupee against Norwegian Krone since first quarter last year.

## Specification of other income and other expenses

NOK in million	First quarter		Year
	2023	2022	2022
<b>EBITDA before other income and other expenses</b>	<b>8 078</b>	<b>8 048</b>	<b>33 830</b>
Other income	-	-	(1)
Gains on disposals of property, plant and equipment (PPE) and operations	9	1 801	1 946
<b>Total other income</b>	<b>9</b>	<b>1 801</b>	<b>1 945</b>
Losses on disposals of property, plant and equipment (PPE) and operations	(50)	(31)	(220)
Workforce reductions, onerous (loss) contracts and other	(184)	(172)	(796)
<b>Total other expenses</b>	<b>(233)</b>	<b>(203)</b>	<b>(1 016)</b>
<b>EBITDA</b>	<b>7 853</b>	<b>9 646</b>	<b>34 758</b>

Total other expenses this quarter consisted mainly of workforce reductions of which NOK 131 million related to organisational modernisation in Telenor Norway.

Total other income in the first quarter last year, consisted mainly of NOK 1.7 billion gain on divestment of fixed non-core assets in Telenor Sweden. Total other expenses consisted mainly of workforce reductions of which NOK 77 million in Grameenphone and NOK 44 million in Telenor Norway.

## Operating profit

The reported operating profit was NOK 3.8 billion, which is a decrease of NOK 1.6 billion compared to the same period last year. The decrease was primarily due to gain on disposal of fixed non-core assets in Sweden last

<sup>1</sup> The comments are related to Telenor's development in the first quarter of 2023 compared to the first quarter of 2022 and are based on current Group structure unless otherwise stated. Please refer to page 38 for Definitions and descriptions of Alternative Performance Measures.



year of NOK 1.7 billion, partly offset by lower depreciations and amortisation of NOK 0.2 billion primarily as a result of contract settlement with a vendor.

## Associated companies and joint ventures

NOK in million	First quarter		Year
	2023	2022	2022
Profit (loss) after taxes	(191)	(104)	(230)
Gains (losses) on disposal of ownership interests	-	-	(71)
<b>Profit (loss) from associated companies and joint ventures</b>	<b>(191)</b>	<b>(104)</b>	<b>(301)</b>

Net loss after tax from associated companies and joint ventures during the first quarter of 2023 was NOK 191 million which mainly consisted of loss after tax in CelcomDigi of NOK 64 million, reflecting the results for the combined entity in December 2022, and an interest costs of NOK 73 million in the joint ventures holding an interest in True Corporation related to the funding of the transaction in Thailand. The funding was provided by the owners and a corresponding interest income has been recognized under financial items in the income statement. In addition, a net loss after tax from Carousell and Telenor Microfinance Bank of NOK 30 million and NOK 6 million, respectively, was recognised. The first quarter of last year mainly includes loss after tax from Carousell of NOK 83 million and Telenor Microfinance Bank of NOK 69 million.

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 will report its share of net income from CelcomDigi and True Corporation with one quarter lag. This implies that in the first quarter 2023, Telenor reports only the month of December 2022 for CelcomDigi, and will from the second quarter 2023 report a full quarter result for CelcomDigi, meaning the results of CelcomDigi for the period January to March. For True Corporation, Telenor is not reporting any share of net income in the first quarter 2023. In the second quarter 2023, Telenor will report its share of net income for the month of March. In the third quarter 2023, both CelcomDigi and True Corporation will be reported with three months with one quarter lag, meaning Telenor's share of their April-June 2023 results. For further information about the transactions and significant associates, please see note 4 and note 7.

## Financial items

NOK in million	First quarter		Year
	2023	2022	2022
Financial income	187	109	392
Financial expenses	(730)	(383)	(2 901)
Net currency gains (losses)	(3 118)	107	(3 386)
Net change in fair value of financial instruments	(32)	275	391
Net gains (losses and impairment) of financial assets and liabilities	-	(4)	1
<b>Net financial income (expenses)</b>	<b>(3 693)</b>	<b>103</b>	<b>(5 503)</b>

Gross interest expenses related to interest-bearing liabilities and lease liabilities	(609)	(271)	(1 838)
Net interest expenses	(464)	(207)	(1 603)

In the first quarter of the year, net financial items amounted to an expense of NOK 3.7 billion compared to a gain of NOK 0.1 billion in the same period last year. This was primarily driven by net currency losses of NOK 3.1 billion, mainly related to liabilities denominated in USD and intercompany loans in Singapore Dollar (SGD). The implications of movements in currency exchange rates are explained in detail in the section "currency exchange rates" below. In the first quarter of 2023, the NOK has weakened against most currencies relevant for Telenor. The NOK weakened by 6% against USD compared to strengthening by 1% in the same period last year. Moreover, the USD has strengthened against PKR by 22% so far this year.

Financial expenses in the first quarter of 2023 increased with NOK 0.3 billion compared to same period last year from higher interest cost as well as reversal of interest expense on tax payment related to guarantees in India of NOK 0.2 billion.

<sup>1)</sup> The comments are related to Telenor's development in the first quarter of 2023 compared to the first quarter of 2022 and are based on current Group structure unless otherwise stated. Please refer to page 38 for Definitions and descriptions of Alternative Performance Measures.

## Income tax

The effective tax rate this quarter was negative due to low profit before tax mainly impacted by high currency losses. The effective tax rate for the first quarter last year was also negative, mainly due to the reversal of NOK 2.5 billion tax expense for the India guarantee for Unitech Wireless and non-taxable sales transaction in Telenor Sweden. The effective tax rate for the year is estimated to be around 37%, excluding contribution from True Corporation.

## 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 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 associated company. Telenor ownership in True as of 31 March was 30.1%. True will be accounted for as an associated company using the equity method going forward. See note 4 and 7 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.

Due to True being a listed company in Thailand and has not yet published its first quarter 2023 results, the gain is combined with the net income from dtac for the period January and February 2023. The split between gain and net income will be presented in the second quarter 2023 report for Telenor, after True has published their first quarter 2023 results.

### 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 after the transaction is 33.1%. CelcomDigi will be accounted for as an associated company using the equity method going forward.

The loss of control of Digi was accounted for as a sale of a subsidiary with a gain of NOK 32.9 billion, where historical figures in the income statement has been re-presented as discontinued operations. As CelcomDigi is a listed company and will publish their quarterly results after Telenor, the share of profits from CelcomDigi is included in Telenor's reporting with one quarter lag. This means that the fourth quarter results consisting of December 2022 is included in the first quarter 2023 report of Telenor. For further information, see note 4 and note 7.

## Net income

Net income attributable to equity holders of Telenor ASA was NOK 18.1 billion, which is an increase of NOK 11.6 billion compared to the same period last year. Net income from discontinued operations after non-controlling interests increased by NOK 18.5 billion, due to NOK 18.5 billion gain recognised as part of the merger completion in Thailand. Net income from continued operations was negative NOK 0.6 billion which is a decrease of NOK 6.9 billion mainly due to lower operating profit by NOK 1.6 billion, increased currency losses by NOK 3.1 billion, and reversal of tax expenses related to India guarantee of NOK 2.5 billion last year.

## Capital expenditure excluding leases (Capex excl. leases)

Capex excluding lease (previously called Capex excluding licenses and spectrum) was NOK 3.5 billion despite a NOK 0.5 billion reduction in capex due to a contract settlement with a vendor. The capex excl. lease of NOK 3.5 billion corresponds to a capex to sales ratio of 18.4%. The capex was driven by 5G roll-out in the Nordics, fibre investments in Norway, and network investments in Bangladesh.

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## Cash flow

The Group ended the first quarter with a total free cash flow of NOK 5.7 billion.

Free cash flow before M&A was NOK 0.4 billion, which is a decrease of NOK 2.0 billion compared to the same period last year, primarily due to higher capex payments and disposals of Digi, dtac and Myanmar. Working capital change during the first quarter was positive by NOK 0.4 billion, mainly due to timing effects in Norway. Cash flow from M&A activities in the quarter was NOK 5.2 billion, which includes NOK 10.8 billion receipt for the sale of 30% stake in fibre infrastructure company in Norway, partly offset by the effects related to the merger transaction in Thailand and India guarantee payments.

Cash and cash equivalents increased by NOK 4.6 billion during the quarter, as the total free cash flow of NOK 5.7 billion and positive currency effects of NOK 0.4 billion were partly offset by share buybacks of NOK 1.5 billion and net repayments of borrowings of NOK 0.1 billion.

## Financial position

During first quarter of 2023, total assets decreased by NOK 5.2 billion to NOK 234.1 billion. The decrease was primarily caused by the deconsolidation of dtac and recognition as an associate, and partly offset by positive currency translation effects of NOK 10.0 billion.

During first quarter of 2023, net debt decreased by NOK 20.4 billion to NOK 77.5 billion driven primarily by positive free cashflow of NOK 5.7 billion and deconsolidation of dtac of NOK 22 billion, partly offset by negative currency translation effects of NOK 6.7 billion. As a result, interest-bearing liabilities excluding licence obligations decreased by NOK 16.0 billion and cash and cash equivalents increased by NOK 4.4 billion.

During first quarter of 2023, total equity increased by NOK 27.0 billion to NOK 91.4 billion. The increase was due to positive net income from total operations of NOK 18.5 billion. Equity further increased by the divestment of 30 percent stake in the fibre infrastructure company in Norway with a total effect of NOK 10.8 billion, positive currency translation effects of approximately NOK 4.1 billion, and pension remeasurement gains (net of tax) of NOK 0.7 billion. The increase was partly offset by NOK 1.6 billion related to share buyback, dividends to non-controlling interests of NOK 0.3 billion and derecognition of non-controlling interests related to dtac disposal of NOK 2.1 billion.

## Currency exchange rates

In the first quarter this year, currency effects have had a significant gross effect on Telenor's financial statements. During the quarter, Norwegian Krone (NOK) has depreciated towards all relevant currencies for Telenor, except Pakistani Rupee. As Telenor has significant operations abroad and in currencies that has strengthened against NOK, the impact on translating the net assets to NOK resulted in a gain of NOK 6.5 billion, of which NOK 10.0 billion was gain related to the assets and NOK 3.5 billion was loss related to the liabilities. This gain is recognised as part of the translation differences in the Other Comprehensive Income statement. In addition, Telenor has significant debt in foreign currencies, which impact the income statement when the currencies fluctuate. The currency effects of borrowings and placements in foreign currencies, mainly coming from borrowings in EUR and USD, impacted the income statement with a loss of NOK 3.1 billion. In addition, Telenor uses part of its borrowings in foreign currencies to hedge its foreign investments, called net investment hedges. The net investment hedges impacted the Other Comprehensive Income statement with a loss of NOK 3.1 billion.

The overall net effect before tax related to currency on total equity during the first quarter was a gain of NOK 0.3 billion.

<sup>1)</sup> The comments are related to Telenor's development in the first quarter of 2023 compared to the first quarter of 2022 and are based on current Group structure unless otherwise stated. Please refer to page 38 for Definitions and descriptions of Alternative Performance Measures.

## Performance in the business areas



With effect from 1 January 2023, Telenor's operating segments comprises four business areas, Nordics, Asia, Infrastructure and Amp. See note 2 for more information. The historical figures have been restated to reflect the new structure, including separation of towers from Telenor Sweden and DNA into Infrastructure. The comments on the financial development in the business areas are made on an organic basis in the first quarter of 2023 compared to the first quarter of 2022, unless otherwise stated. Please refer to Definitions on page 38 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](http://www.telenor.com/ir)

### Nordics

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

NOK in million	First quarter		YoY change		Year
	2023	2022	Reported	Organic	2022
Norway	4 893	4 825	1%	1%	19 633
Sweden	2 324	2 123	9%	6%	8 790
Denmark	948	881	8%	-3%	3 678
Finland	2 105	1 800	17%	6%	7 546
Other/eliminations	(29)	(16)	79%	n.m.	(75)
<b>Service revenues</b>	<b>10 242</b>	<b>9 613</b>	<b>7%</b>	<b>3%</b>	<b>39 572</b>
<b>Total revenues</b>	<b>13 512</b>	<b>12 654</b>	<b>7%</b>	<b>3%</b>	<b>52 477</b>
<b>Opex</b>	<b>(4 156)</b>	<b>(3 851)</b>	<b>8%</b>	<b>4%</b>	<b>(15 646)</b>
Norway	3 014	3 002	0%	0%	12 236
Sweden	1 001	956	5%	4%	3 981
Denmark	330	350	-6%	-15%	1 396
Finland	985	882	12%	1%	3 547
Other/eliminations	2	15	-83%	n.m.	28
<b>EBITDA before other items</b>	<b>5 333</b>	<b>5 205</b>	<b>2%</b>	<b>0%</b>	<b>21 187</b>
<b>Operating profit</b>	<b>1 970</b>	<b>3 591</b>	<b>-45%</b>	<b>n.m.</b>	<b>9 143</b>
<b>Capex excl. lease</b>	<b>2 536</b>	<b>2 084</b>	<b>22%</b>	<b>n.m.</b>	<b>9 957</b>

\* n.m. stands for not measured

Telenor Nordics continued the good revenue growth momentum, while also executing on its modernisation agenda. Mobile network modernisation and 5G rollout continued at high pace in all business units, and is reflected by the capex levels this period, which came in at 18.8% of revenues, despite a NOK 0.3 billion reduction in capex related to an adjustment of a supplier contract. Equally notably, the fibre infrastructure transaction in Norway was successfully completed in February.

Service revenues increased by 3% whereas EBITDA remained stable despite higher costs mainly related to personnel, sales and marketing and energy, and also a 3 percentage points drag on EBITDA from copper decommissioning in Norway. Excluding a one-time adjustment in Denmark following contractual dispute

pertaining to years 2018-2019, mobile service revenues grew by 5% and EBITDA grew by 1%, supported by increased ARPU in all business units.

In the quarter, Telenor Norway finalised the implementation of their organisational modernisation and successfully launched new service offerings for both mobile and fixed broadband customers. Service revenues increased by 1%. Excluding fixed legacy, total service revenues grew by 5%, driven by a 5% increase in mobile ARPU from value-added services and related pricing initiatives, and from growth in fixed non-legacy revenues. EBITDA remained stable as the revenue growth was offset by the impact from the copper decommissioning and higher energy costs.

In Sweden, mobile service revenues increased by 7%, driven by a combination of higher ARPU and a larger subscriber base. The solid mobile performance resulted in 6% total service revenue growth and 4% EBITDA growth.

In Denmark, financial performance was negatively impacted by a reversal of NOK 66 million service revenues. The reversal follows negative outcome of a contractual dispute related to revenues recognised from May 2018 to April 2019. Excluding this, service revenues increased by 4% and EBITDA increased by 3%. Both mobile and fixed contributed to this growth, which was supported by pricing initiatives.

In Finland, service revenues increased by 6%, through positive contributions from both mobile and fixed. The growth was driven by pricing initiatives and subscriber growth. Higher energy, personnel, sales and marketing costs resulted in a slight increase in EBITDA.

## Asia

Business area Asia consists of Grameenphone in Bangladesh and Telenor Pakistan as well as the associated companies True Corporation in Thailand, CelcomDigi in Malaysia, and Telenor Microfinance Bank in Pakistan. The Telenor Asia office is also part of business area Asia.

NOK in million	First quarter		YoY change		Year
	2023	2022	Reported	Organic	2022
Bangladesh	3 438	3 551	-3%	3%	14 752
Pakistan	865	1 110	-22%	-2%	4 267
<b>Service revenues</b>	<b>4 303</b>	<b>4 661</b>	<b>-8%</b>	<b>2%</b>	<b>19 019</b>
<b>Total revenues</b>	<b>4 712</b>	<b>5 096</b>	<b>-8%</b>	<b>2%</b>	<b>20 973</b>
<b>Opex</b>	<b>(1 727)</b>	<b>(1 750)</b>	<b>-1%</b>	<b>8%</b>	<b>(7 270)</b>
Bangladesh	2 208	2 281	-3%	3%	9 685
Pakistan	480	662	-28%	-9%	2 891
Other/eliminations	(65)	(23)	184%	n.m.	(60)
<b>EBITDA before other items</b>	<b>2 623</b>	<b>2 920</b>	<b>-10%</b>	<b>-1%</b>	<b>12 516</b>
<b>Operating profit</b>	<b>1 622</b>	<b>1 733</b>	<b>-6%</b>	<b>n.m.</b>	<b>5 442</b>
<b>Capex excl. lease</b>	<b>770</b>	<b>621</b>	<b>24%</b>	<b>n.m.</b>	<b>2 373</b>
CelcomDigi	(64)	-	(64)	n.m.	-
Others	(79)	(54)	(25)	n.m.	(194)
<b>Net income from associates and JVs</b>	<b>(143)</b>	<b>(54)</b>	<b>(89)</b>	<b>n.m.</b>	<b>(194)</b>
<b>Dividends from associates and JVs</b>	<b>271</b>	<b>-</b>	<b>271</b>	<b>n.m.</b>	<b>283</b>

\* n.m. stands for not measured

The successful completion of the merger of True and dtac in Thailand on 1 March was an important milestone for Telenor Asia and Telenor Group. The new company, named True Corporation, is well placed to serve Thailand's increasing demand for high-speed data and capture growth opportunities in a fast-changing digital region. By combining the strengths of True and dtac, the new company will be a future fit company at the forefront of digitalisation in Thailand. As a consequence of the merger, dtac is treated as discontinued operation until 1 March. Performance in Bangladesh and Pakistan was slightly above expectations, despite inflationary pressure and continued challenging macro environment, particularly in Pakistan.

Organic service revenues, which now comprises Bangladesh and Pakistan, improved by 2% primarily due to higher mobile ARPU in Grameenphone. EBITDA declined by 1%, mainly explained by higher energy prices and maintenance costs in both Grameenphone and Pakistan, more than offsetting the positive revenue growth in Grameenphone.

In Bangladesh, subscriber acquisition has improved significantly after the restrictions on the sale of new SIMs, which were imposed in July 2022, were lifted early January. Combined with better churn control, the company added one million subscribers this period, taking the total subscription base to 80 million, which is yet 4 million fewer subscribers than one year ago, before the SIM restrictions were imposed. Higher data usage supported an ARPU uplift of 7%, taking the service revenues growth to 3%. EBITDA improved by 3% as the revenue growth more than offset the costs of higher energy consumption and network maintenance costs.

The management focus for Pakistan is to manoeuvre in the very challenging business and macroeconomic environment by prioritising high-ARPU customers, balancing network quality and further adapting the organization. Service revenues declined by 2% explained by a lower subscriber base, however softened by positive ARPU development. Lower service revenues in combination with higher energy prices and increased network maintenance costs brought EBITDA down by 9%.

CelcomDigi started trading as the new combined company on Kuala Lumpur stock exchange on 1 December. As of 31 March, the implied market capitalisation was NOK 117 billion on 100% basis, of which NOK 39 billion for Telenor's economic interest. CelcomDigi is Malaysia's largest mobile network operator with a total customer base of more than 20 million at the end of fourth quarter 2022. On 24 February, CelcomDigi declared dividends based on its 2022 results, resulting in a payout to Telenor of NOK 271 million, which was received in March. CelcomDigi's financial guiding for 2023 is to maintain service revenue growth momentum, along with flat to low single digit increase in EBITDA, and capex to sales ratio around 15% to 18%. CelcomDigi will release its first quarter results on 24 May. As CelcomDigi is a listed company and will publish their quarterly results after Telenor, the share of profits from CelcomDigi is included in Telenor's reporting with one quarter lag. This means that the fourth quarter results consisting of only the month of December 2022 is included in the first quarter report of Telenor. See note 7 for more information.

True Corporation had its first trading day on the Bangkok exchange on 3 March. As of 31 March, the implied market capitalisation was NOK 89 billion on 100% basis, of which NOK 27 billion for Telenor's economic interest. The company is the market leader for mobile subscribers, with a mobile customer base of approximately 55 million. True plans to publish its first quarter results on 10 May and host an analyst conference the following day.

## Infrastructure

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

NOK in million	First quarter		YoY change		Year
	2023	2022	Reported	Organic	2022
<b>Service revenues</b>	-	-	-	-	-
Telenor Infra	649	589	10%	10%	2 680
Tower Sweden	79	68	16%	12%	269
DNA Towers	148	103	44%	30%	478
<b>Total revenues</b>	<b>876</b>	<b>760</b>	<b>15%</b>	<b>13%</b>	<b>3 427</b>
<b>Opex</b>	<b>(167)</b>	<b>(157)</b>	<b>6%</b>	<b>5%</b>	<b>(662)</b>
Telenor Infra	355	304	17%	17%	1 339
Tower Sweden	55	48	14%	10%	178
DNA Towers	101	73	39%	25%	321
Other/eliminations	(1)	(2)	-31%	n.m.	(7)
<b>EBITDA before other items</b>	<b>510</b>	<b>423</b>	<b>20%</b>	<b>18%</b>	<b>1 830</b>
Telenor Infra	290	247	17%	17%	1 099
Tower Sweden	39	31	26%	22%	114
DNA Towers	90	62	45%	31%	274
Other/eliminations	13	12	5%	n.m.	49
<b>EBITDA before other items and after lease depreciation</b>	<b>432</b>	<b>352</b>	<b>23%</b>	<b>20%</b>	<b>1 537</b>
<b>Operating profit</b>	<b>273</b>	<b>233</b>	<b>17%</b>	<b>n.m.</b>	<b>962</b>
<b>Capex excl. lease</b>	<b>183</b>	<b>164</b>	<b>12%</b>	<b>n.m.</b>	<b>901</b>

\* n.m. stands for not measured

Overall, Infrastructure's performance this quarter was in line with expectations. Total revenue growth was driven by a combination of price increases for power and lease, as well as higher volumes. Total lease revenues increased by 2% on an organic basis, due to growth in Norway and Finland driven by 5G rollout, partly offset by fixed legacy decommissioning in Norway and 3G decommissioning in Sweden. External lease revenues increased by 9% driven by growth in Norway and Finland. EBITDA before other items increased by 18%, driven by the revenue growth and increased energy margin. In Norway, the average energy spot prices stabilized at a lower level than in the second part of 2022 with a reduction of more than 30% compared to the fourth quarter of 2022. The EBITDA after lease margin increased from 46% to 49%. At the end of the quarter the mobile tenancy ratio was 1.6.

Total energy consumption this quarter was stable compared to last year. Higher consumption from 5G rollout was offset by the effects of switching off power for copper legacy equipment as well as energy saving initiatives in Norway. The fixed electricity consumption is now 27% lower than in the first quarter last year, illustrating the positive impact on the environment from sunseting old technologies. To ensure continuous reduction in energy consumption from the copper network, power supply will be cut as soon as legacy equipment is switched off.

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



## Amp

Business area Amp consists of controlled companies adjacent to the telecommunication industry including Telenor Satellite, the IOT provider Connexion, Telenor Maritime, the wholesale and digital service provider Linx, the smart building company BLDNG.AI, and the infrastructure company Norkring België, as well as several non-controlled investments, including the TV distributor Allente and the online classifieds company Carousell.

NOK in million	First quarter		YoY change		Year
	2023	2022	Reported	Organic	2022
Maritime	133	77	73%	73%	545
Connexion	242	193	25%	21%	835
<b>Service revenues</b>	<b>370</b>	<b>268</b>	<b>38%</b>	<b>35%</b>	<b>1 360</b>
Maritime	133	77	73%	73%	545
Connexion	242	193	25%	21%	835
Satellite	230	219	5%	5%	916
Linx	552	427	29%	29%	2 202
Other/eliminations	8	9	-81%	n.m.	28
<b>Total revenues</b>	<b>1 165</b>	<b>925</b>	<b>26%</b>	<b>25%</b>	<b>4 525</b>
<b>Opex</b>	<b>(319)</b>	<b>(268)</b>	<b>19%</b>	<b>17%</b>	<b>(1 162)</b>
Maritime	5	(5)	207%	207%	100
Connexion	77	53	46%	41%	253
Satellite	157	150	5%	5%	642
Linx	77	53	45%	45%	487
Other/eliminations	6	2	84%	n.m.	(8)
<b>EBITDA before other items</b>	<b>323</b>	<b>253</b>	<b>28%</b>	<b>27%</b>	<b>1 473</b>
<b>Operating profit</b>	<b>204</b>	<b>134</b>	<b>53%</b>	<b>n.m.</b>	<b>995</b>
<b>Capex excl. lease</b>	<b>46</b>	<b>47</b>	<b>-2%</b>	<b>n.m.</b>	<b>325</b>
Allente	4	47	(43)	-	235
Others	(47)	(97)	50	-	(337)
<b>Net income from associates and JVs</b>	<b>(43)</b>	<b>(50)</b>	<b>7</b>	<b>n.m.</b>	<b>(102)</b>
<b>Dividends from associates and JVs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>n.m.</b>	<b>-</b>

\* n.m. stands for not measured

Amp started the year with strong performance in all consolidated assets, strengthened and aided further by positive timing effects and currency tailwinds.

Organic revenue growth was 25%, based on positive development in all key assets. Connexion, in addition to solid revenue growth, also reported strong SIM shipments this period, which will support future traffic revenues. The revenue growth in Linx was driven by growth in messaging revenues, connecting hyperscalers and operators, partly due to timing effects. Telenor Maritime saw significant revenue growth in comparison to the same period last year, when particularly the cruise segment was hit severely by the effects of the pandemic. Telenor Maritime's revenues are now trending above pre-pandemic levels. Finally, Telenor Satellite demonstrated steady growth as a result of increasing focus on satellite-based services.

EBITDA increased by 28% mainly driven by the revenue growth in Linx and Connexion, in addition to smaller contributions from Satellite and Maritime.

In third quarter of 2022, Telenor Global Services and Telenor Digital were merged, and the resulting entity is called Telenor Linx. Reported numbers for 2022 shows these two entities combined as Linx.



Sustainability and responsible business conduct is an integrated part of Telenor Group'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 maximise the positive impact of our business across our markets.

	Year		First quarter	Target 2025
	2022	2023	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%	44%		68%
Number of people trained in digital skills	3.0 m	3.2 m		6 m
Mobile internet users (% of active data users)*	55.8%	55.5%		68%
Closure rate non-conformities in the supply chain*	50%	67%		90%
Women in senior leadership positions*	34%	34%		40%
Lost time Injury Frequency (LTIF)	0.13	0.45		n.a.

\*2022 figures restated excluding dtac.

During the first quarter we saw stable or improved status for most of our selected Environment, Social and Governance (ESG) indicators. The share of supplier spend covered by science-based targets increased during the quarter as some of the top suppliers, including one of our main contractors in the Nordics, published their science-based targets. Telenor works consistently to engage with and influence suppliers to adopt to science-based targets. The scope 1 and 2 emission reduction is calculated yearly. The increase of people trained in digital skills was mainly related to ongoing projects on online safety and safe internet usage among children.

Following the migration of Telenor Norway's customers from the copper network to future-proof solutions, the decommissioning of the legacy equipment has started. During the first quarter, the power supply at 117 main fixed telephony sites was switched off, resulting in a reduction of around 17 GWh in annual electricity consumption. The fixed electricity consumption is now 27% lower than in the first quarter last year. Going forward focus will be on cutting power as soon as legacy equipment is unused. The copper decommissioning also enables other positive effects for the environment. The copper and the electronic equipment, which contains several precious metals, are being removed and recycled. For

the copper decommissioning Telenor cooperates with contractors specialising in environmentally oriented decommissioning, to ensure that the equipment and waste will be recycled or disposed in an environmentally safe way.

In 2022, Telenor entered into long-term Power Purchase Agreements (PPAs) for the operations in Norway and Denmark. The renewable energy solution based on wind power for the Norwegian operation will start production towards end of 2023 or early 2024. In Denmark, the PPA is based on a solar energy plant, which will be operational by end of 2024. Both projects are progressing according to plan. A sourcing process for a PPA in Finland is ongoing. In Asia, Grameenphone is exploring the possibility for corporate PPAs. As a natural next step on our climate agenda, building on our current science-based targets, Telenor has committed to setting a net-zero target, according to the standard from the Science Based Targets initiative (SBTi). A net-zero target requires a reduction of at least 90% reduction of all emissions, including scope 3, by 2050 at the latest.

In March 2023, Telenor joined the Norwegian government delegation to the UN event "Commission on the Status of Women" with focus on how technology and digital services can promote

increased gender equality. Telenor was invited as an extension of the partnership with Plan International. In addition, a new iteration of the sustainability partnership with Cisco was signed during the quarter.

## Risks and uncertainties



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

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

The war in Ukraine has also generated a sharp increase in energy prices following the shortage of supply, and there is increased risk of supply chain disruption due to escalating trade tension and sanctions. The economic slowdown caused by the war is increasing the risk of a potential global recession in 2023. Management is also 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, and SEK. Foreign currency debt in Telenor ASA that exceeds the recorded equity of investments in the same currency will not be part of an effective net investment hedge relationship. Currency fluctuations related to this part of the debt will be recorded in the income statement. Currency fluctuations on internal loans might also significantly impact the income statement. Telenor has both fixed and floating rate debt, and changes in interest rates will impact the income statement.

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, 3 May 2023  
The Board of Directors of Telenor ASA

# Interim condensed financial information



## Consolidated income statement

### Telenor Group

NOK in million	Note	First quarter		Year
		2023	2022	2022
Revenues	3	19 187	18 431	76 877
Total cost of materials and traffic charges		(4 668)	(4 240)	(17 819)
Salaries and personnel costs		(2 453)	(2 325)	(9 281)
Other operating expenses		(3 988)	(3 819)	(15 948)
Other income		9	1 801	1 945
Other expenses		(233)	(203)	(1 016)
<b>EBITDA</b>		<b>7 853</b>	<b>9 646</b>	<b>34 758</b>
Depreciation and amortisation		(4 019)	(4 253)	(17 114)
Impairment losses		-	-	(2 502)
<b>Operating profit (loss)</b>		<b>3 834</b>	<b>5 393</b>	<b>15 143</b>
Share of net income from associated companies and joint ventures	7	(191)	(104)	(301)
Net financial items		(3 693)	103	(5 503)
<b>Profit (loss) before taxes</b>		<b>(50)</b>	<b>5 392</b>	<b>9 339</b>
Income taxes		(189)	1 279	3 009
<b>Profit (loss) from continuing operations</b>		<b>(240)</b>	<b>6 671</b>	<b>12 348</b>
Profit (loss) from discontinued operations	4	18 764	579	35 230
<b>Net income</b>		<b>18 524</b>	<b>7 250</b>	<b>47 578</b>

#### Net income attributable to:

Non-controlling interests	378	680	2 665
Equity holders of Telenor ASA	18 146	6 570	44 913

#### Earnings per share in NOK

Basic/diluted from continuing operations	(0.44)	4.51	7.84
Basic/diluted from discontinued operations	13.45	0.19	24.25
Basic/diluted from total operations	13.01	4.69	32.09

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

## Consolidated statement of comprehensive income

### Telenor Group

NOK in million	First quarter		Year
	2023	2022	2022
<b>Net income</b>	<b>18 524</b>	<b>7 250</b>	<b>47 578</b>
Translation differences on net investment in foreign operations	6 545	(1 824)	1 806
Amount reclassified from other comprehensive income to income statement on disposal	(4 031)	789	370
Net gain (loss) on hedge of net investment	(3 114)	1 287	(1 402)
Income taxes	685	(283)	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	(79)	53	46
<b>Items that may be reclassified subsequently to income statement</b>	<b>895</b>	<b>22</b>	<b>1 361</b>
Net gain (loss) on equity investments	19	1	157
Remeasurement of defined benefit pension plans	860	1 199	661
Income taxes	(189)	(264)	(138)
<b>Items that will not be reclassified to income statement</b>	<b>690</b>	<b>936</b>	<b>680</b>
<b>Other comprehensive income (loss), net of taxes</b>	<b>1 585</b>	<b>958</b>	<b>2 041</b>
<b>Total Comprehensive Income</b>	<b>20 109</b>	<b>8 208</b>	<b>49 620</b>
<b>Total comprehensive income attributable to:</b>			
Non-controlling interests	520	608	2 780
Equity holders of Telenor ASA	19 589	7 601	46 840

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

## Consolidated statement of financial position

### Telenor Group

NOK in million	Note	31 March 2023	31 December 2022	31 March 2022
Deferred tax assets		5 310	5 536	1 466
Goodwill		25 529	27 334	26 220
Intangible assets		9 532	9 689	9 859
Right-of-use assets		27 843	45 686	50 866
Property, plant and equipment		52 524	65 659	71 739
Associated companies and joint ventures	7	60 140	39 686	5 610
Other non-current assets		20 006	13 476	15 028
<b>Total non-current assets</b>		<b>200 885</b>	<b>207 067</b>	<b>180 787</b>
Prepaid taxes		540	1 491	1 486
Inventories		1 283	1 559	1 562
Trade and other receivables		16 406	18 842	21 354
Other current financial assets		590	361	654
Assets classified as held for sale	4	-	-	-
Cash and cash equivalents		14 350	9 929	20 798
<b>Total current assets</b>		<b>33 168</b>	<b>32 182</b>	<b>45 853</b>
<b>Total assets</b>		<b>234 052</b>	<b>239 249</b>	<b>226 640</b>
Equity attributable to equity holders of Telenor ASA		85 788	60 139	33 905
Non-controlling interests		5 571	4 237	5 493
<b>Total equity</b>		<b>91 359</b>	<b>64 375</b>	<b>39 398</b>
Non-current lease liabilities		14 803	24 417	27 862
Non-current interest-bearing liabilities	5	68 775	82 724	85 291
Non-current non-interest-bearing liabilities		1 977	1 772	1 304
Deferred tax liabilities		3 350	3 639	4 038
Pension obligations		1 828	1 919	2 355
Provisions and obligations		6 382	6 627	7 918
<b>Total non-current liabilities</b>		<b>97 115</b>	<b>121 097</b>	<b>128 768</b>
Current lease liabilities		4 208	6 674	6 628
Current interest-bearing liabilities	5	10 674	9 169	9 041
Trade and other payables		22 011	28 227	31 088
Current tax payables		3 026	2 487	5 465
Current non-interest-bearing liabilities		1 418	1 694	2 038
Provisions and obligations		697	791	764
Liabilities classified as held for sale	4	3 544	4 735	3 449
<b>Total current liabilities</b>		<b>45 579</b>	<b>53 777</b>	<b>58 474</b>
<b>Total equity and liabilities</b>		<b>234 052</b>	<b>239 249</b>	<b>226 640</b>

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



## Consolidated statement of cash flows

### Telenor Group

NOK in million	First quarter		Year
	2023	2022	2022
Profit before taxes from total operations <sup>1)</sup>	18 713	6 241	45 721
Income taxes paid	(917)	(1 439)	(5 977)
Net (gains) losses from disposals, impairments and change in fair value of financial assets and liabilities	(18 759)	(1 113)	(33 823)
Depreciation, amortisation and impairment losses	4 983	6 360	28 217
Loss (profit) from associated companies and joint ventures	191	105	303
Dividends received from associated companies	271	-	575
Currency (gains) losses not related to operating activities	2 447	31	3 737
Changes in working capital and other	(827)	(772)	470
<b>Net cash flow from operating activities</b>	<b>6 102</b>	<b>9 414</b>	<b>39 222</b>
Purchases of property, plant and equipment, intangible assets and prepayment for right-of-use assets	(4 763)	(4 491)	(19 298)
Purchases of subsidiaries, associated companies and joint ventures, net of cash acquired	(1 682)	(107)	(991)
Proceeds from disposal of PPE, intangible assets, associated companies and businesses, net of cash disposed	15 408	1 288	(4 463)
Proceeds from sale and purchases of other investments	(6 899)	224	1 607
<b>Net cash flow from investing activities</b>	<b>2 064</b>	<b>(3 086)</b>	<b>(23 145)</b>
Proceeds from and repayments of borrowings	(62)	45	(88)
Payments of lease liabilities related to spectrum licences	(850)	(873)	(2 483)
Payments of lease liabilities related to other lease contracts	(1 148)	(1 445)	(5 589)
Net payments of supply chain financing	(212)	(96)	21
Purchase of treasury shares	(1 486)	-	(27)
Dividends paid to and purchases of shares from non-controlling interests	(289)	(326)	(2 803)
Dividends paid to equity holders of Telenor ASA	-	-	(13 015)
<b>Net cash flow from financing activities</b>	<b>(4 048)</b>	<b>(2 694)</b>	<b>(23 984)</b>
Effects of exchange rate changes on cash and cash equivalents	440	(141)	600
<b>Net change in cash and cash equivalents</b>	<b>4 558</b>	<b>3 493</b>	<b>(7 306)</b>
Cash and cash equivalents at the beginning of the period	9 677	16 985	16 985
<b>Cash and cash equivalents at the end of the period<sup>2)</sup></b>	<b>14 236</b>	<b>20 479</b>	<b>9 677</b>
Of which cash and cash equivalents in assets held for sale at the end of the period	-	-	-
<b>Cash and cash equivalents in continuing operations at the end of the period</b>	<b>14 236</b>	<b>20 479</b>	<b>9 677</b>

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

Profit before taxes from continuing operations	(50)	5 392	9 339
Profit before taxes from discontinued operations	18 764	849	36 381
Profit before taxes from total operations	18 713	6 241	45 721

<sup>2)</sup> As of 31 March 2023, restricted cash was NOK 24.1 million, while as of 31 March 2022, restricted cash was NOK 11.1 million.

### Cash flow from discontinued operations

NOK in million	First quarter		Year
	2023	2022	2022
Net cash flow from operating activities	(1 516)	3 415	13 430
Net cash flow from investing activities	-	(2 914)	(12 533)
Net cash flow from financing activities	-	(817)	300
<b>Total cash flows from discontinued operations</b>	<b>(1 516)</b>	<b>(317)</b>	<b>1 196</b>
Effects of exchange rate changes on cash and cash equivalents	-	(27)	177
<b>Net cash flows from discontinued operations</b>	<b>(1 516)</b>	<b>(343)</b>	<b>1 374</b>

Cash flows from discontinued operations for 2022 include cash flows from Digi for the period January to November, Telenor Myanmar for the period January to August and dtac for the whole year. Cash flows from discontinued operations for 2023 are related to the disputed items with Department of Telecommunications in India. For more details, see note 4.

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

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

## Consolidated statement of changes in equity

### Telenor Group

NOK in million	Attributable to equity holders of the parent				Total	Non-controlling interests	Total equity
	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences			
<b>Equity as of 1 January 2022</b>	<b>8 466</b>	<b>(21 530)</b>	<b>43 981</b>	<b>(4 627)</b>	<b>26 294</b>	<b>5 206</b>	<b>31 500</b>
Net income for the period	-	-	44 913	-	44 913	2 665	47 578
Other comprehensive income for the period	-	723	-	1 204	1 927	114	2 041
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>723</b>	<b>44 913</b>	<b>1 204</b>	<b>46 840</b>	<b>2 780</b>	<b>49 620</b>
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
<b>Equity as of 31 December 2022</b>	<b>8 466</b>	<b>(20 746)</b>	<b>75 837</b>	<b>(3 422)</b>	<b>60 139</b>	<b>4 237</b>	<b>64 375</b>
Net income for the period	-	-	18 146	-	18 146	378	18 524
Other comprehensive income for the period	-	611	-	833	1 444	142	1 585
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>611</b>	<b>18 146</b>	<b>833</b>	<b>19 589</b>	<b>520</b>	<b>20 109</b>
Transactions with non-controlling interests	-	-	7 621	-	7 621	1 119	8 739
Dividends	-	-	-	-	-	(304)	(304)
Share buy back	(80)	(1 481)	-	-	(1 560)	-	(1 560)
<b>Equity as of 31 March 2023</b>	<b>8 386</b>	<b>(21 617)</b>	<b>101 603</b>	<b>(2 589)</b>	<b>85 788</b>	<b>5 571</b>	<b>91 358</b>

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			
<b>Equity as of 1 January 2022</b>	<b>8 466</b>	<b>(21 530)</b>	<b>43 981</b>	<b>(4 627)</b>	<b>26 294</b>	<b>5 206</b>	<b>31 500</b>
Net income for the period	-	-	6 570	-	6 570	680	7 250
Other comprehensive income for the period	-	989	-	42	1 030	(72)	958
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>989</b>	<b>6 570</b>	<b>42</b>	<b>7 601</b>	<b>608</b>	<b>8 209</b>
Dividends	-	-	-	-	-	(320)	(320)
Share - based payment, exercise of share options and distribution of shares	-	10	-	-	10	-	10
<b>Equity as of 31 March 2022</b>	<b>8 466</b>	<b>(20 531)</b>	<b>50 551</b>	<b>(4 585)</b>	<b>33 906</b>	<b>5 493</b>	<b>39 399</b>

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 three months ending 31 March 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 on 2022 was NOK 413 million and the impact on Q1 2022 was NOK 84 million.

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 4.

## Note 2 – Segments

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

### Operating segments

The segment information is reported to the group management team in Telenor, which is regarded as the chief operating decision maker. The financial segment information is used for assessing performance and allocating resources in the group. Historical figures have been restated to be aligned with the new segment structure implemented from Q1 2023.

### Nordics

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

### Asia

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

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

### Infrastructure

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

### Amp

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

### Other

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

### First quarter

NOK in million	Total revenues			of which internal		EBITDA before other income and other expenses <sup>1)</sup>				Capex excl. lease	
	2023	2022	Growth	2023	2022	2023	Margin	2022	Margin	2023	2022
Nordics	13 512	12 654	6.8 %	160	145	5 333	39.5 %	5 205	41.1 %	2 536	2 084
Asia	4 712	5 096	-7.5 %	146	137	2 623	55.7 %	2 920	57.3 %	770	621
Infrastructure	876	760	15.3 %	687	598	510	58.2 %	423	55.7 %	183	164
Amp	1 165	925	25.9 %	122	151	323	27.7 %	253	27.3 %	46	47
Other	326	467	-30.2 %	289	440	(117)	-35.8 %	(77)	-16.5 %	-	1
Eliminations	(1 404)	(1 471)	-4.5 %	(1 404)	(1 471)	(593)	42.2 %	(677)	46.0 %	-	-
<b>Group</b>	<b>19 187</b>	<b>18 431</b>	<b>4.1 %</b>	<b>-</b>	<b>-</b>	<b>8 078</b>	<b>42.1 %</b>	<b>8 048</b>	<b>43.7 %</b>	<b>3 535</b>	<b>2 916</b>

### Year 2022

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

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

<sup>2)</sup> Investments consist of capex and investments in businesses, see page 38 for alternative performance measures.

## Reconciliation of consolidated profit before tax and segment EBITDA

NOK in million	First quarter		Year
	2023	2022	2022
Profit (loss) before taxes	(50)	5 392	9 339
Share of net income from associate companies and joint	(191)	(104)	(301)
Net financial items	(3 693)	103	(5 503)
Operating profit (loss)	3 834	5 393	15 143
Depreciation and amortisation	(4 019)	(4 253)	(17 114)
Impairment losses	-	-	(2 502)
EBITDA	7 853	9 646	34 758
Other income	9	1 801	1 945
Other expenses	(233)	(203)	(1 016)
EBITDA before other income and other expenses	8 078	8 048	33 830

## Note 3 – Revenues

Service revenues include subscriptions and traffic revenues from mobile voice and data, in addition to various fixed revenues for telephony, broadband, TV connections and data security services. Devices like handsets are sold separately or 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.

### First quarter 2023

NOK in millions	Mobile operations	Fixed operations	Other revenues from rendering of services <sup>1)</sup>	Total revenues from rendering of services <sup>2)</sup>	Sale of handset and other devices <sup>3)</sup>	Total revenues from contracts with customers (IFRS 15)	Operating lease revenues (IFRS 16)	Total revenues
Telenor Norway	3 511	2 189	-	5 700	540	6 240	86	6 326
Telenor Sweden	1 743	811	-	2 554	381	2 935	47	2 982
Telenor Denmark	946	152	-	1 098	328	1 425	8	1 433
DNA Finland	1 704	580	-	2 284	461	2 745	8	2 753
Other/eliminations	(12)	(30)	59	18	(0)	17	-	17
<b>Nordics</b>	<b>7 893</b>	<b>3 701</b>	<b>59</b>	<b>11 653</b>	<b>1 710</b>	<b>13 363</b>	<b>149</b>	<b>13 512</b>
Grameenphone - Bangladesh	3 574	-	-	3 574	1	3 575	45	3 620
Telenor Pakistan	1 040	-	-	1 040	2	1 042	31	1 073
Other/eliminations	-	-	18	18	-	18	-	18
<b>Asia</b>	<b>4 614</b>	<b>-</b>	<b>18</b>	<b>4 632</b>	<b>3</b>	<b>4 635</b>	<b>76</b>	<b>4 712</b>
Infrastructure	-	-	28	28	-	28	848	876
Amp	-	792	373	1 165	-	1 165	-	1 165
Other	-	-	285	285	-	285	41	326
Eliminations	(212)	(150)	(338)	(700)	(3)	(702)	(702)	(1 404)
<b>Group</b>	<b>12 294</b>	<b>4 344</b>	<b>426</b>	<b>17 064</b>	<b>1 710</b>	<b>18 774</b>	<b>413</b>	<b>19 187</b>

- 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 38.
- 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 quarter 2022

	Mobile operations	Fixed operations	Other revenues from rendering of services <sup>1)</sup>	Total revenues from rendering of services <sup>2)</sup>	Sale of handset and other devices <sup>3)</sup>	Total revenues from contracts with customers (IFRS 15)	Operating lease revenues (IFRS 16)	Total revenues
<b>NOK in millions</b>								
Telenor Norway	3 331	2 224	-	5 554	511	6 066	82	6 148
Telenor Sweden	1 577	794	-	2 370	427	2 797	33	2 830
Telenor Denmark	898	125	-	1 023	285	1 309	7	1 315
DNA Finland	1 445	525	-	1 970	380	2 350	7	2 357
Other/eliminations	(23)	(17)	44	4	1	4	(0)	4
<b>Nordics</b>	<b>7 228</b>	<b>3 650</b>	<b>44</b>	<b>10 922</b>	<b>1 604</b>	<b>12 525</b>	<b>129</b>	<b>12 654</b>
Grameenphone - Bangladesh	3 687	-	-	3 687	3	3 690	45	3 735
Telenor Pakistan	1 275	-	-	1 275	2	1 277	35	1 313
Other/eliminations	-	-	48	48	-	48	-	48
<b>Asia</b>	<b>4 962</b>	<b>-</b>	<b>48</b>	<b>5 010</b>	<b>5</b>	<b>5 016</b>	<b>80</b>	<b>5 096</b>
Infrastructure	-	-	20	20	-	20	740	760
Amp	-	622	303	925	-	925	-	925
Other	-	-	434	434	-	434	33	467
Eliminations	(181)	(113)	(559)	(853)	(1)	(854)	(617)	(1 471)
<b>Group</b>	<b>12 009</b>	<b>4 159</b>	<b>290</b>	<b>16 458</b>	<b>1 608</b>	<b>18 066</b>	<b>365</b>	<b>18 431</b>

- 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 38.
- 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 <sup>1)</sup>	Total revenues from rendering of services <sup>2)</sup>	Sale of handset and other devices <sup>3)</sup>	Total revenues from contracts with customers (IFRS 15)	Operating lease revenues (IFRS 16)	Total revenues
<b>NOK in millions</b>								
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)
<b>Nordics</b>	<b>30 099</b>	<b>14 603</b>	<b>156</b>	<b>44 858</b>	<b>7 055</b>	<b>51 913</b>	<b>564</b>	<b>52 477</b>
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
<b>Asia</b>	<b>20 338</b>	<b>-</b>	<b>277</b>	<b>20 615</b>	<b>32</b>	<b>20 646</b>	<b>327</b>	<b>20 973</b>
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)
<b>Group</b>	<b>49 529</b>	<b>17 146</b>	<b>1 480</b>	<b>68 154</b>	<b>7 078</b>	<b>75 232</b>	<b>1 645</b>	<b>76 877</b>

- 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 38.
- 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 – Discontinued operations and assets held for sale

The amalgamation between dtac and True took place in the first quarter 2023. This resulted in dtac being deconsolidated as a subsidiary of Telenor with a gain of NOK 18.5 billion. Historical figures for dtac are re-presented as discontinued operations. Other operations presented as discontinued operations and held for sale include Digi and 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	First quarter		Year
	2023	2022	2022
Revenue	-	9 597	35 457
EBITDA	-	4 182	15 001
EBIT	-	2 075	6 406
Profit (loss) before tax	-	1 747	5 130
Income taxes	-	(270)	(1 149)
Profit (loss) after tax	-	1 477	3 982
Gain (loss) on disposal after tax	18 764	(898)	31 248
Profit (loss) from discontinued operations	18 764	579	35 230
Non-controlling interest	-	317	1 295

The gain on disposal recognised in the first quarter 2023 are mainly related to dtac and gain adjustment from Digi. The loss on disposal recognised during first quarter 2022 were mainly related to Telenor Myanmar.

### 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 7 for further information about the transaction.

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

Due to True being a listed company in Thailand and has not yet published its first quarter 2023 results, the gain is combined with the net income from dtac for the period January and February 2023. The split between gain and net income will be presented in the

second quarter 2023 report for Telenor, after True has published their first quarter 2023 results.

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 157 million has been included in the gain calculation.

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

NOK in million	First quarter		Year
	2023	2022	2022
Revenue	-	5 379	22 076
EBITDA	-	1 991	8 358
EBIT	-	512	2 203
Profit (loss) before tax	-	324	1 393
Income taxes	-	71	(95)
Profit (loss) after tax	-	395	1 298
Gain (loss) on disposal after tax	18 538	-	-
Profit (loss) from discontinued operations	18 538	395	1 298
Non-controlling interest	-	68	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 represented as discontinued operation. The profit (loss) for Digi:

NOK in million	First quarter		Year
	2023	2022	2022
Revenue	-	3 199	12 362
EBITDA	-	1 574	6 026
EBIT	-	947	3 586
Profit (loss) before tax	-	820	3 136
Income taxes	-	(292)	(1 004)
Profit (loss) after tax	-	529	2 132
Gain (loss) on disposal after tax	290	-	32 652
Profit (loss) from discontinued operations	290	529	34 784
Non-controlling interest	-	250	999

The gain recognised in the first quarter 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	First quarter		Year
	2023	2022	2022
Revenue	-	1 018	1 018
EBITDA	-	617	617
EBIT	-	617	617
Profit (loss) before tax	-	602	602
Income taxes	-	(50)	(50)
Profit (loss) after tax	-	553	553
Gain (loss) on disposal after tax	-	(857)	(589)
Profit (loss) from discontinued operations	-	(304)	(36)

#### Telenor India

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

#### Assets held for sale

The major classes of liabilities of the disposal groups classified as held for sale as of 31 March 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	31 March	31 March	31 December
	2023	2022	2022
Liabilities			
Non-current liabilities	-	-	-
Current liabilities	3 544	3 449	4 735
Total liabilities held for sale	3 544	3 449	4 735

#### Amounts included in OCI

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

NOK in million	31 March	31 March	31 December
	2023	2022	2022
Digi	-	342	-
Dtac	-	(3 301)	(3 802)
Telenor Myanmar	-	-	-
Telenor India	(987)	(136)	(636)
Total gain (loss)	(987)	(3 095)	(4 438)

## Note 5 – Interest-bearing liabilities

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

### Interest-bearing liabilities

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

NOK in million	31 March 2023	
	Carrying amount	Fair value
Interest-bearing liabilities <sup>1)</sup>	(79 450)	(70 876)
of which fair value level 1	-	(69 776)
of which fair value level 2	-	(1 100)

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

NOK in million	31 March 2022	
	Carrying amount	Fair value
Interest-bearing liabilities <sup>1)</sup>	(94 332)	(93 172)
of which fair value level 1	-	(85 985)
of which fair value level 2	-	(7 187)

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

## Note 6 – Fair value of financial instruments

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

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

NOK in million	31		
	31 March 2023	December 2022	31 March 2022
Other non-current assets	1 096	986	552
Other current financial	263	33	295
Non-current non-interest-bearing financial liabilities	(1 645)	(1 455)	(1 023)
Non-current interest-bearing financial liabilities	(3 673)	(3 652)	(1 057)
Current non-interest-bearing liabilities	(250)	(386)	(771)
Current interest-bearing liabilities	-	(10)	-
<b>Total</b>	<b>(4 209)</b>	<b>(4 485)</b>	<b>(2 004)</b>

## Note 7 – Associated companies and joint ventures

In March 2023, the amalgamation in Thailand between dtac and True was concluded and resulted in Telenor having a 30.1% ownership in the listed company True Corporate Public Company Ltd as of 31 March 2023. The associate CelcomDigi in Malaysia is a result of the merger between Digi and Celcom in Q4 2022. The results of these two entities are reported with one quarter lag, meaning limited periods are included in Q1 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	31 March 2023	31 March 2022	31 December 2022
<b>Balance as of 1 January</b>	<b>39 686</b>	<b>5 683</b>	<b>5 683</b>
Additions	18 664	107	34 251
Disposals <sup>1)</sup>	-	-	(432)
Share of net income (losses) <sup>2)</sup>	(191)	(105)	(232)
Share of other comprehensive income	(79)	53	46
Dividends received	(271)	(0)	(568)
Translation differences	2 397	(128)	938
<b>Closing balance</b>	<b>60 207</b>	<b>5 610</b>	<b>39 686</b>
Of which investment in CelcomDigi <sup>3)</sup>	36 405	-	34 436
Of which investment in True Corporation Public Limited (direct interest)	18 591	-	-

<sup>1)</sup> Mainly relates to the disposal of Wave Money during 2022.

<sup>2)</sup> Share of net income (loss) includes the Group's share of net income (loss) after taxes, amortisation of excess values, impairments, and adjustment for differences in accounting policies.

<sup>3)</sup> Of which allocated to goodwill NOK 22.1 billion as of 31 March 2023.

### Significant transactions 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 in True to 30.1%. The ownership is structured into direct ownership and indirect ownership through joint ventures owned together with Charoen Pokphand Group (CP Group). As of 31 March 2023, Telenor ownership is divided into 20.9% direct ownership and 9.2% indirect ownership. The indirect ownership is reflected in the accounts of Telenor as a receivable towards the joint venture, as the joint ventures are jointly funded with debt, by Telenor and CP Group. The carrying amount of the receivable as of 31 March 2023 is NOK 7.2 billion. During April 2023, the direct ownership in True has increased to 26.3% and indirect ownership decreased to 3.9%.

#### True (associate)

True is an associated company where Telenor has a direct ownership of 20.9% and an indirect ownership through a joint venture of 9.2%, in total an ownership of 30.1%. 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 26.6 billion as of 31 March 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 will not always be published at the time Telenor reports its quarterly results, Telenor will include the share of profits from True with a one quarter lag. This means that the first quarter results of True consisting of the month of March 2023, together with the statement of financial position, will be included in Telenor's Q2 2023 report.

#### 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 39.9 billion as of 31 March 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 will not always be 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 fourth quarter results of CelcomDigi consisting of only the month of December 2022 is included in Telenor's Q1 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	First quarter		Year 2022
	2023	2022	
<b>Statement of comprehensive income</b>			
Revenue	2 553	-	-
EBITDA	864	-	-
Depreciation and amortization	(315)	-	-
Net financial items	(126)	-	-
Income tax expense	21	-	-
Net income	(193)	-	-
Other comprehensive income(loss)	-	-	-
Total comprehensive income (loss)	(193)	-	-
Group's ownership in %	33.1	-	33.1
Group's share of net income	(64)	-	-
Group's share of other comprehensive income (loss)	-	-	-
Group's share of total comprehensive income (loss)	(64)	-	-

NOK in millions	31 March 2023	31 March 2022	31 December 2022
<b>Statement of financial position</b>			
Non-current assets	83 310	-	77 836
Current assets excluding cash and cash equivalents	8 398	-	9 593
Cash and cash equivalents	2 028	-	7 744
Non-current non-interest bearing liabilities	(4 978)	-	(6 978)
Non-current interest bearing liabilities	(25 425)	-	(33 310)
Current non-interest bearing liabilities	(19 806)	-	(8 194)
Non-controlling interests	(243)	-	-
<b>Total equity to shareholders of parent company</b>	<b>43 283</b>	<b>-</b>	<b>46 691</b>
Group's share of equity	14 327	-	15 455
Goodwill related to the Group's investment	22 078	-	18 981
Carrying amount of investment	36 405	-	34 436
Dividends received	271	-	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	First quarter		Year
	2023	2022	2022
<b>Statement of comprehensive income</b>			
Revenue	1 615	1 590	6 472
EBITDA	178	244	1 181
Depreciation and amortization	(145)	(123)	(526)
Net financial items	(23)	(2)	(62)
Income tax expense	(5)	(28)	(143)
Net income	8	94	470
Other comprehensive income(loss)	(159)	108	83
Total comprehensive income (loss)	(151)	202	553
Group's ownership in %	50	50	50
<b>Group's share of net income</b>	<b>4</b>	<b>47</b>	<b>235</b>
Group's share of other comprehensive income (loss)	(80)	54	42
<b>Group's share of total comprehensive income (loss)</b>	<b>(75)</b>	<b>101</b>	<b>277</b>

NOK in millions	31 March 2023	31 March 2022	31 December 2022
<b>Statement of financial position</b>			
Non-current assets	4 448	4 755	4 401
Current assets excluding cash and cash equivalents	1 793	1 708	1 781
Cash and cash equivalents	236	205	144
Non-current non-interest bearing liabilities	(432)	(485)	(442)
Non-current interest bearing liabilities	(2 019)	(2 109)	(1 948)
Current non-interest bearing liabilities	(2 078)	(1 906)	(1 971)
<b>Total equity to shareholders of parent company</b>	<b>1 949</b>	<b>2 167</b>	<b>1 964</b>
Group's share of equity	974	1 084	982
Goodwill related to the Group's investment	414	384	387
Carrying amount of investment	1 388	1 468	1 369
Dividends received	-	-	285

## Note 8 – Equity information

### Significant transactions with non-controlling interests

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

#### 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 is 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 is 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.

# 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	First quarter		Change first quarter	
	2023	2022	2023	Change YTD
Total revenue	19 187	18 431	756	4.1 %
Impact using exchange rates for 2023	-	71	(71)	
M&A	-	(26)	26	
<b>Organic revenue</b>	<b>19 187</b>	<b>18 477</b>	<b>710</b>	<b>3.8 %</b>

NOK in million	First quarter		Change first quarter	
	2022	2021	2022	Change YoY
Total revenue	18 431	18 530	(99)	-0.5 %
Impact using exchange rates for 2022	-	(359)	359	
M&A	-	(48)	48	
<b>Organic revenue</b>	<b>18 431</b>	<b>18 123</b>	<b>308</b>	<b>1.7 %</b>

## Organic service revenue

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

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

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

## Reconciliation

NOK in million	First quarter		Change first quarter	
	2023	2022	2023	Change YTD
Service revenues	14 851	14 500	351	2.4%
Impact using exchange rates for 2023	-	(53)	53	
M&A	-	-	-	
<b>Organic service revenues</b>	<b>14 851</b>	<b>14 446</b>	<b>404</b>	<b>2.8%</b>

NOK in million	First quarter		Change first quarter	
	2022	2021	2022	Change YoY
Service revenues	14 500	14 544	(44)	-0.3%
Impact using exchange rates for 2022	-	(257)	257	
M&A	-	-	-	
<b>Organic service revenues</b>	<b>14 500</b>	<b>14 288</b>	<b>212</b>	<b>1.5%</b>

## Service revenues

NOK in million	First quarter		Year
	2023	2022	2022
Total revenues	19 187	18 431	76 877
Less: Handsets and other devices	(1 710)	(1 608)	(7 078)
Less: Lease revenues	(413)	(365)	(1 645)
Revenues from rendering of services	17 064	16 458	68 154
Less: Revenue from other operators	(1 535)	(1 432)	(6 231)
Less: Other revenues	(679)	(527)	(2 163)
<b>Service revenues</b>	<b>14 851</b>	<b>14 500</b>	<b>59 760</b>

## Organic gross profit

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

## Reconciliation

NOK in million	First quarter		Change first quarter	
	2023	2022	2023	Change YoY
Gross profit	14 519	14 191	328	2.3 %
Impact using exchange rates for 2023	-	(63)	63	
M&A	-	(29)	29	
<b>Organic gross profit</b>	<b>14 519</b>	<b>14 100</b>	<b>420</b>	<b>3.0 %</b>

NOK in million	First quarter		Change first quarter	
	2022	2021	2022	Change YoY
Gross profit	14 191	14 407	(216)	-1.5 %
Impact using exchange rates for 2022	-	(231)	231	
<b>Organic gross profit</b>	<b>14 191</b>	<b>14 122</b>	<b>69</b>	<b>0.5 %</b>



## 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	First quarter		Change first quarter	
	2023	2022	2023	Change YoY
Operational expenses	6 441	6 143	297	4.8 %
Impact using exchange rates for 2023	-	35	(35)	
M&A	-	(1)	1	
<b>Organic operational expenses</b>	<b>6 441</b>	<b>6 177</b>	<b>264</b>	<b>4.3 %</b>

NOK in million	First quarter		Change first quarter	
	2022	2021	2022	Change YoY
Operational expenses	6 143	6 027	117	1.9 %
Impact using exchange rates for 2022	-	(124)	124	
<b>Organic operational expenses</b>	<b>6 143</b>	<b>5 900</b>	<b>243</b>	<b>4.1 %</b>

## Organic EBITDA

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

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

### Reconciliation

NOK in million	First quarter		Change first quarter	
	2023	2022	2023	Change YoY
EBITDA	8 078	8 048	31	0.4%
Impact using exchange rates for 2023	-	(98)	98	
M&A	-	(28)	28	
<b>Organic EBITDA</b>	<b>8 078</b>	<b>7 922</b>	<b>156</b>	<b>2.0%</b>

NOK in million	First quarter		Change first quarter	
	2022	2021	2022	Change YoY
EBITDA	8 048	8 381	(333)	-4.0%
Impact using exchange rates for 2022	-	(108)	108	
M&A	-	(51)	51	
<b>Organic EBITDA</b>	<b>8 048</b>	<b>8 222</b>	<b>(174)</b>	<b>-2.1%</b>

## Capital expenses

Capital expenses (capex) are derived from the balance sheet and consist of investments in property, plant and equipment (PPE), intangible assets and 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	First quarter		Year
	2023	2022	2022
Purchases of PPE, intangible assets and prepayments for right-of-use assets	4 763	4 491	19 298
Working capital and other changes	(1 866)	(81)	(676)
Deferred lease obligations including licences	2 578	2 336	9 113
Less:			
Discontinued operations		(1 731)	(5 906)
<b>Total Capex incl. leases</b>	<b>5 474</b>	<b>5 015</b>	<b>21 829</b>
Licence and spectrum acquisition	(345)	(1 069)	(4 592)
Other leases	(1 594)	(1 030)	(3 677)
<b>Capex excl. lease</b>	<b>3 535</b>	<b>2 916</b>	<b>13 560</b>
Total revenues	19 187	18 431	76 877
<b>Capex excl. lease/Revenues (%)</b>	<b>18.4 %</b>	<b>15.8 %</b>	<b>17.6 %</b>
<b>Total Capex/Revenues (%)</b>	<b>28.5 %</b>	<b>27.2 %</b>	<b>28.4 %</b>

## Investments

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

NOK in million	First quarter		Year
	2023	2022	2022
Capital expenses	5 474	5 015	21 829
Investments in businesses	1 668	107	965
<b>Investments</b>	<b>7 141</b>	<b>5 122</b>	<b>22 794</b>

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

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

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

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

## Reconciliation

NOK in million	31 March 2023	31 December 2022
Non-current interest-bearing liabilities	68 775	82 724
Non-current lease liabilities	14 803	24 417
Current interest-bearing liabilities	10 674	9 169
Current lease liabilities	4 208	6 674
Less:		
Cash and cash equivalents	(14 350)	(9 929)
Hedging instruments	(6)	(27)
Financial instruments	(271)	(277)
Adjustments:		
Non-current licence obligations	(4 866)	(11 944)
Current licence obligations	(1 465)	(2 931)
<b>Net interest-bearing debt excluding licence obligations</b>	<b>77 503</b>	<b>97 875</b>

## Leverage ratio

In recent years, Telenor has measured leverage as the ratio of Net debt to EBITDA before other items. Following the structural changes in the portfolio, and triggered by closing of the merger in Malaysia, Telenor measures the leverage from the fourth quarter of 2022 as the ratio of Net debt to EBITDA before other items and dividends from associated companies and joint ventures.

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

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

NOK in million	First quarter		Year
	2023	2022	2022
A - Net debt	77 503	92 431	97 875
B - EBITDA before other items	33 861	48 612	42 374
C - Dividends from associates and joint ventures	2 693	-	1 376
<b>D - Leverage ratio D=A/(B+C)</b>	<b>2.1</b>	<b>1.9</b>	<b>2.2</b>

Dividend from associated companies and joint ventures during 2022 includes dividends from Digi of NOK 0.8 billion before merger with Celcom. Dividends from associated companies and joint ventures during last twelve months of the period ending 31 March 2023 includes dividend from Digi and dtac as subsidiaries of NOK 1.9 billion. EBITDA before other items for 2022 full year includes EBITDA before other items contribution from dtac. EBITDA before other items for last twelve months of the period ending 31 March 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	First quarter		Year
	2023	2022	2022
Net cash flows from operating activities	6 102	9 414	39 222
Net cash flows from investing activities	2 064	(3 086)	(23 145)
Payments of lease liabilities related to spectrum licences	(850)	(873)	(2 484)
Payments of lease liabilities related to other lease contracts	(1 148)	(1 445)	(5 589)
Repayments of borrowings - supply chain financing	(212)	(96)	21
Dividends paid to and purchase of shares from non-controlling interest	(289)	(325)	(2 802)
Adjustment for payment to Axiata by CelcomDigi after the merger	-	-	5 381
<b>Free cash flow</b>	<b>5 666</b>	<b>3 589</b>	<b>10 604</b>
M&A activities	5 235	1 155	738
<b>Free cash flow before M&amp;A activities</b>	<b>431</b>	<b>2 434</b>	<b>9 865</b>

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 quarter		Year
	2023	2022	2022
Operating profit	13 584	16 627	15 143
Share of net income (loss) including gains/losses from associated companies and joint ventures	(388)	(509)	(301)
Income taxes	1 541	(2 106)	3 009
<b>A - Earnings</b>	<b>14 737</b>	<b>14 013</b>	<b>17 851</b>
Total equity as of beginning of the period	39 398	39 484	31 500
Net interest-bearing debt including licence obligations as of beginning of the period	107 204	114 161	115 543
Net pension obligations as of beginning of the period	2 355	2 552	2 429
<b>B - Total capital employed as of beginning of the period</b>	<b>148 957</b>	<b>156 197</b>	<b>149 472</b>
Total equity as of end of the period	91 359	39 398	64 375
Net interest-bearing debt including licence obligations as of end of the period	83 833	107 204	112 750
Net pension obligations as of end of the period	1 828	2 355	1 919
<b>C - Total capital employed as of end of the period</b>	<b>177 020</b>	<b>148 957</b>	<b>179 045</b>
<b>D - Average capital employed before adjustments (D=(B+C)/2)</b>	<b>162 989</b>	<b>152 577</b>	<b>164 258</b>
E - Adjustment for Telenor Myanmar and Canal Digital	-	76	(117)
E - Adjustment for Digi's capital employed	5 888	12 052	6 026
E - Adjustment for dtac's capital employed	18 181	37 826	37 823
E - Adjustment for CelcomDigi	18 203	-	17 218
E - Adjustment for True Corporation	9 296	-	-
<b>F - Average capital employed (F=D-E)</b>	<b>111 421</b>	<b>102 623</b>	<b>103 308</b>
<b>G - Return on capital employed (G=A/F)</b>	<b>13%</b>	<b>14%</b>	<b>17%</b>



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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](mailto:ir@telenor.com)

[www.telenor.com](http://www.telenor.com)