Annual Report 2022

Index

CEO's review

Year 2022 will be remembered as a period of great uncertainty in the Finnish operating environment. The war against Ukraine that Russia started in February caused global uncertainty, clouding the economic outlook and affected the security environment in Finland as well.

Uncertainty emphasized even more the critical nature of our sector in our society and initiated extensive measures to guarantee our production capacity even in unprecedented exceptional circumstances. We substantially cooperated closely with our customers who are critical for security of supply and with other security of supply players. Something good resulted even from a bad situation and now we are more prepared than ever to face completely new kinds of threats.

Inflation has picked up speed in all of Europe and is biting into consumers' purchasing power also in Finland, and the sharp rise of the most common reference rates continued towards the end of the year.

DNA's January–December figures show that our business has developed steadily. Our total revenues grew 4% year-on-year, EBITDA increased 2%, and operating result increased 4%. Exceptionally high price inflation and rising energy prices had a negative impact on DNA's result.

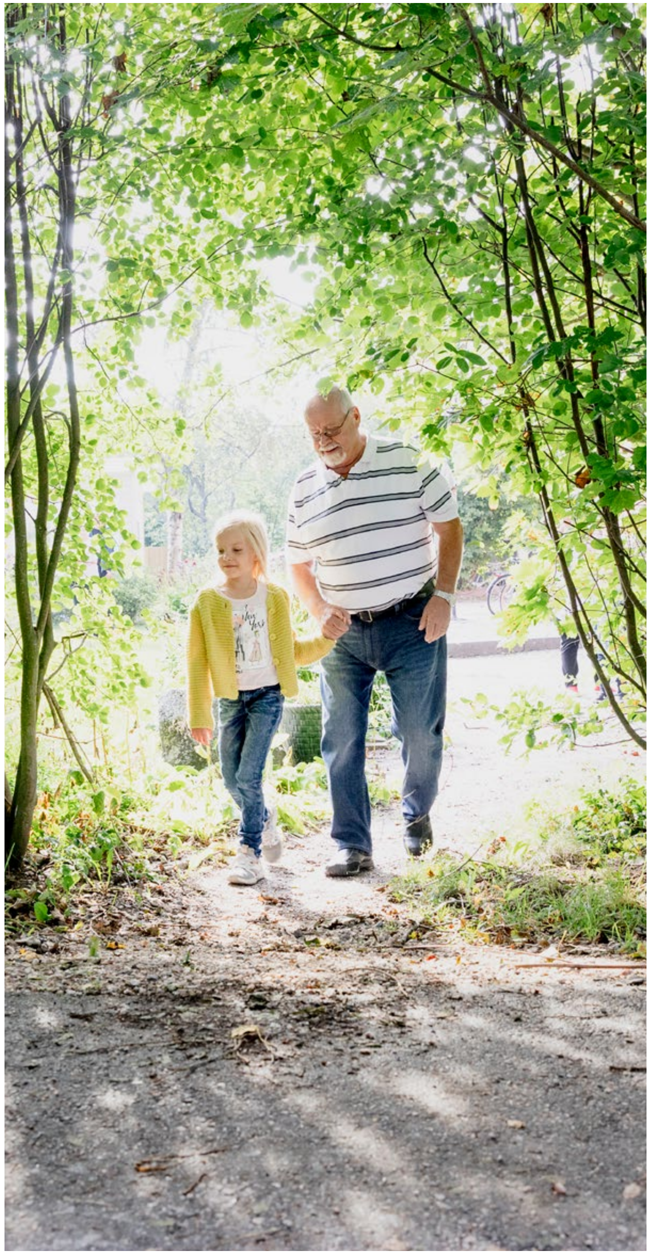
DNA has continued big investments into the construction of its 5G network, which reached 80% of the population at the end of the year. The number of mobile subscriptions increased by 51,000 year-on-year, and their ARPU increased to EUR 17.4 from EUR 17.1 in previous year. DNA's growth as the fixed-network market leader has continued, and the demand for 5G services is also accelerating.

We also clarified our strategy in 2022, and as part of that work, redefined our key role in the society as a provider of important communication connections. High-quality connections and devices that are easy to deploy and use, as well as digital skills and inclusion are a necessity for making our consumer and corporate customers' lives less complicated in the digital world.

> **DNA is responsible for providing network connections and services to millions**

DNA is responsible for providing network connections and services to millions, and we want to do it well. By doing that, we can maintain high customer experience.

The importance of being a humane place to work was one of most important themes at DNA in 2022. As one of the concrete actions to promote a more humane approach, we published our employer promise in June, promising to support every employee to live a humane and one-of-a-kind life. We can achieve the most satisfied customers and the best possible results when we look after the well-being of our personnel.



Highlights from 2022

5G-speeds

80%

At the end of 2022:
Our 5G network covers 80% of Finland's population based on the stated place of residence, or about
4.4 million people
in 203 localities.

DNA's virtual private networks available all over Finland

Decentralised access points around the country enable access the service extensively
across Finland

Private networks benefit companies and communities whose services depend on
good data transfer speeds.

Highlights from 2022

JANUARY FEBRUARY MARCH APRIL MAY JUNE JULY AUGUST SEPTEMBER OCTOBER NOVEMBER DECEMBER

January
DNA begins cooperation with Plan International Finland to improve the digital job search skills of young people who have moved to Finland.

February
The national security situation changes. The change sparks a great deal of activity at DNA in terms of security of supply and humanitarian aid. DNA stopped collecting call and roaming charges to Ukraine immediately on 24 February 2022. In addition, DNA employees made a donation of 50,000 euros for Ukrainians through well-known charities, and thousands of DNA Prepaid subscriptions with balances were donated to refugees.

April
DNA and the Finnish Association for the Welfare of Older Adults start cooperation for digital skills of older people.

June
- The city of Turku selected DNA as the primary supplier of communications services.
- DNA's employer promise. DNA is a community that recognises different situations in life and gives everyone the freedom to choose where and how to work. All DNA employees have the opportunity for continuous learning and development.
- DNA Digiturva, designed as a collaboration between DNA and F-Secure, was released to the public. It blocks security threats and protects devices, personal data and internet use.

September
Location-independent hiring experiment. In September, DNA's IT and technology departments started a hiring experiment in which any of DNA's locations across Finland can be chosen as the hiring location.

October
Disconnect Day - in favour of being fully present in the moment. According to DNA's survey, 44% of Finns feel they spend too much time with smart devices. DNA encourages everyone who can to put their phones aside for Disconnect Day on 2 October.

December
DNA obtained the ISO 14001:2015 certificate for its Environmental Management System.

Operating environment and strategy

Our society is highly digitalised, and the services offered by our industry are already widely used by consumers, businesses and communities in Finland. Our operations are characterised by intense competition.

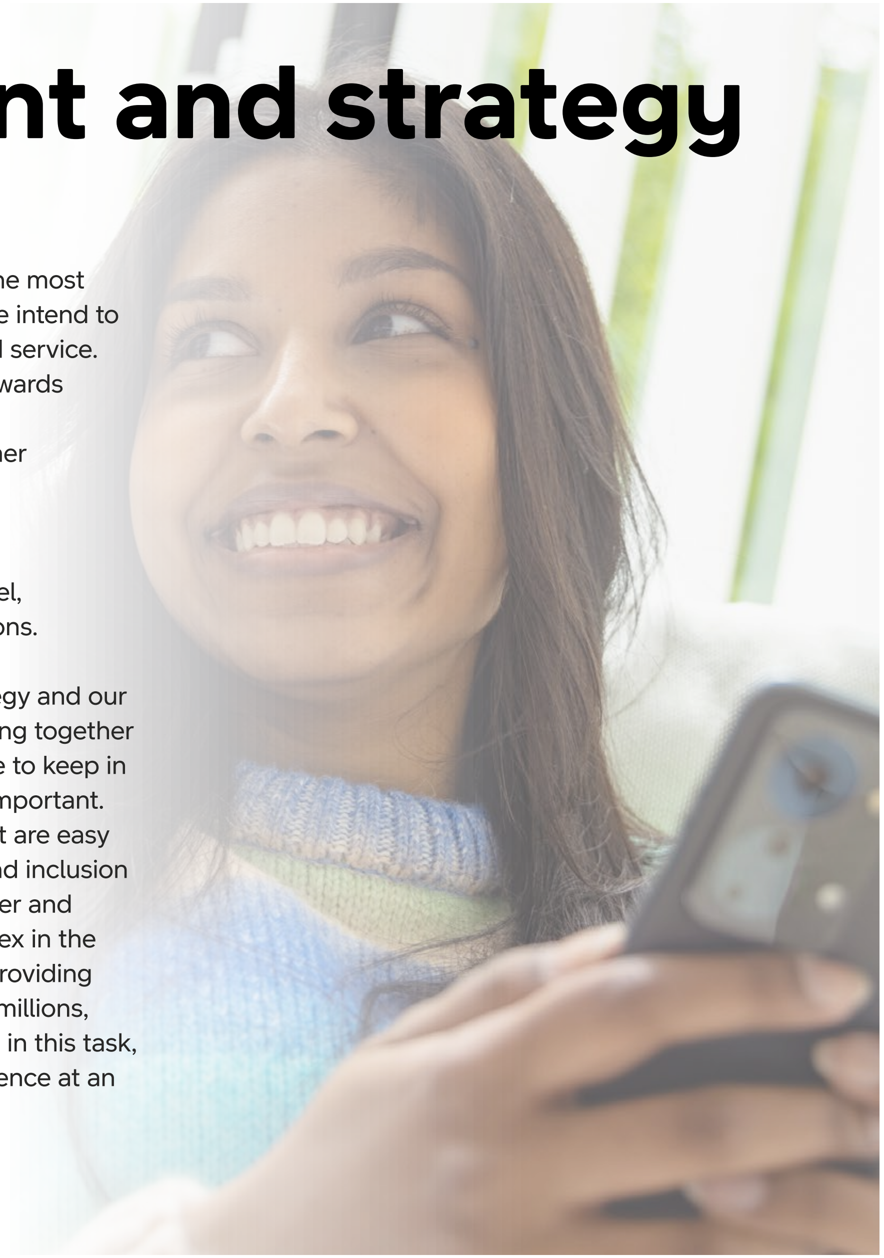
The year 2022 was a time of uncertainty in our operating environment. The war against Ukraine started by Russia in February caused global uncertainty, clouding the economic outlook in Finland as well. Sharply rising inflation throughout Europe reduced consumers' purchasing power also in Finland. Energy and wholesale prices grew rapidly and could not be fully passed on to service prices.

DNA continued to make significant investments in 5G and fibre networks and transmission systems, despite the increase in production costs due to rising prices, as the need for high-quality connectivity remains high.

DNA's strategy

DNA's main strategic goal is to have the most satisfied customers in the industry. We intend to stand out from competition with good service. During the year, we made progress towards these goals in many ways. Surveys showed that the quality of our customer service was at a very high level last year, both in our service centres and in DNA Stores. The satisfaction of DNA's customers is also at a good level, even excellent in some of our operations.

During the year, we clarified our strategy and our core mission in society: we exist to bring together what matters most: enabling everyone to keep in touch with everything they consider important. High-quality connections, devices that are easy to deploy and use, and digital skills and inclusion are necessary for making our consumer and corporate customers' lives less complex in the digital world. DNA is responsible for providing network connections and services to millions, and we want to do it well. By investing in this task, we also maintain our customer experience at an excellent level.



DNA in brief

DNA is a Finnish company domiciled in Helsinki.

Our expert store personnel serves customers interested in mobile devices and accessories, other operator services, as well as Internet for households. Our stores are proven to provide a very high level of customer service.

DNA is part of the Norwegian Telenor Group. We provide reliable and affordable connections – worldwide. While we **serve our customers locally** in Finland, they also benefit from the good roaming agreements and other benefits offered by an international Group.

All in all, on average of **45 GB data per month** was transferred in DNA's mobile network per subscription in 2022.

5G

We invest strongly in network infrastructure. At the end of 2022, our 5G network reached approximately **4.4 million people** in Finland.

DNA's values:
Fast.
Bold.
Straightforward.

Fast.
Bold.
Straightforward.

As part of **our employer promise**, we promoted a humane, one-of-a-kind approach to ourselves, others and the society in 2022.

DNA's subsidiaries include Moi Mobiili Oy, DNA Store Ltd, DNA Tower Finland Ltd, and DNA Welho Ltd.

We build **connections** to make sure everything is possible. We connect people and things. Reliable connections bring people closer together, make for smooth work, and give the society a strong digital backbone.

Business

DNA's business has developed steadily in 2022: total revenues grew 4% year-on-year and EBITDA increased 2%. DNA's growth as the fixed-network market leader has continued, and the demand for 5G services is also accelerating.

To date, DNA has already sold hundreds of thousands of 5G subscriptions. Eight of the ten most popular phone models sold by DNA in 2022 were 5G-capable. Demand was also driven by 5G network, which reached 80% of the population at the end of the year.

In 2022, DNA launched the first comprehensive data security service in Finland, "Digiturva". Due to the uncertain global situation, it is increasingly important to prepare for data security threats, and uncomplicated solutions are needed. The "DNA Digiturva" service combines all the major information security features, protecting all devices, personal data, passwords, and Internet use. It is important for DNA to help every customer stay safe online. DNA also launched comprehensive coverage plan for new mobile devices in 2022.

Regarding DNA's corporate customers, the demand for additional services that boost business, and for corporate network solutions, or SD-WAN solutions in particular, continued to grow. DNA and Telenor continued to offer even more comprehensive solutions to Nordic corporate customers.

Sustainability at DNA

DNA renewed its sustainability programme in 2022. As an employer, DNA pledged to be a humane and one-of-a-kind place to work. We also developed our environmental practices and obtained the ISO 14001: 2015 certificate at the end of the year.

DNA is aware of its responsibility in the digital world

Digitalisation brings both challenges and opportunities. Good connections, working devices, digital skills, and the feeling of inclusion in the digital world are among the necessities in day-to-day life in Finland. This is why DNA wants to participate in the creation of a more sustainable Finland where everyone has equal opportunities to participate.

However, we are also aware of the footprints we leave on this planet. Thousands of base stations and kilometres of fibre-optic cable, as well as their continuous maintenance and development require energy and natural resources. Finns lead the way in mobile data usage, which means a heavy workload for DNA's equipment facilities. Therefore, it is a necessity to participate in the global fight against climate change. We are also aware of the fact that electrical and electronic waste is the world's fastest growing waste stream. We also sell devices which may be manufactured using minerals, such as gold and cobalt, the mining of which may involve violations of the UN principles for human rights. We need to know our supply chain as thoroughly as possible and support the recycling of customers' old devices.

The significance of data security and protection is increasingly vital in the digital world. We want to be worthy of trust and at the same time open about the personal data we collect and how we process it. Maintaining a good data security culture is of vital importance for DNA – now more than ever because Russia's war of aggression against Ukraine.

None of these objectives can be achieved without a committed and motivated working community. This is why DNA considers it important to be a humane and one-of-a-kind place to work for all our employees – now and in the future.

DNA's new sustainability programme

DNA renewed its sustainability programme in 2022. DNA's sustainability programme, objective setting, measures, and reporting are steered by stakeholder expectations and Telenor's requirements. DNA carried out a materiality analysis in early 2022, thoroughly interviewing CEO Jussi Tolvanen and Telenor's sustainability unit. Guided by EU's new Corporate Sustainability Reporting Directive (CSRD) and its proposal for reporting guidelines, DNA also considered its Group-wide risk assessment as well as the financial impacts of the material topics. DNA is aware that the material topics may need to be updated once the directive enters into force.

DNA's material topics and key areas are essentially the same as before, but the new objectives better reflect the high importance of responsibility at DNA, our aligned approach with Telenor as well as wishes from our various stakeholders. You can see a comprehensive list of DNA's material topics here.

DNA's sustainability programme consists of the following key areas:

- Straightforward sustainable partner
- Humane and one-of-a-kind of place to work
- Digitally inclusive Finland
- Moving data within planetary boundaries
- Safe and secure services

DNA's Sustainability Programme

Connecting you to what matters most

We have an important task that we carry with responsibility and pride. High-quality connections and devices, digital skills and inclusion are a necessity for both consumer and corporate customers in the digital world. DNA is responsible for providing network connections and services to millions of people, and we want to do our job well.

Straightforward sustainable partner

We are committed to ethical and sustainable business and expect the same from our partners. We contribute positively to the Finnish society.

Humane and one-of-a-kind place to work

We are a flexible and family-friendly employerthat embraces diversity. We encourage everyoneto bravely pursue their ambitions. Everyone at DNA helps us achieve our sustainability ambitions.

Digitally inclusive Finland

We enable participation to the digital society and want to ensure that no one is left behind in digitalization. We make use of the digital to facilitate a human connection.

Moving data withinplanetary boundaries

We enable climate-friendly data transfer in our networks and ambitiously reduce emissions in our operations. We make circularity easy for our customers.

Safe and secure services

We enable a care-free daily digital life to our customers through secure networks and security services. Our own cybersecurity measures are robust and follow leading practices.

DNA and Telenor – sustainable together

DNA became part of the Telenor Group in 2019. As a global operator, Telenor has brought new expertise to the table, helping DNA fine-tune its sustainability approach. DNA has gained powerful insight into the global telecommunications operator business and new international perspective on the management of sustainability.

Also, comparing our operations with those of other Telenor countries, motivates us to improve our operations and strengthen our good practices even further. Well-functioning models from DNA have been implemented globally, such as DNA's flexible working concept, which has been implemented at Telenor Group as a whole. DNA's strong visions of fast, straightforward, and bold operations and principles have also gained ground, and DNA has been able to contribute, for example, to the development of policies and guidelines at Telenor Group.

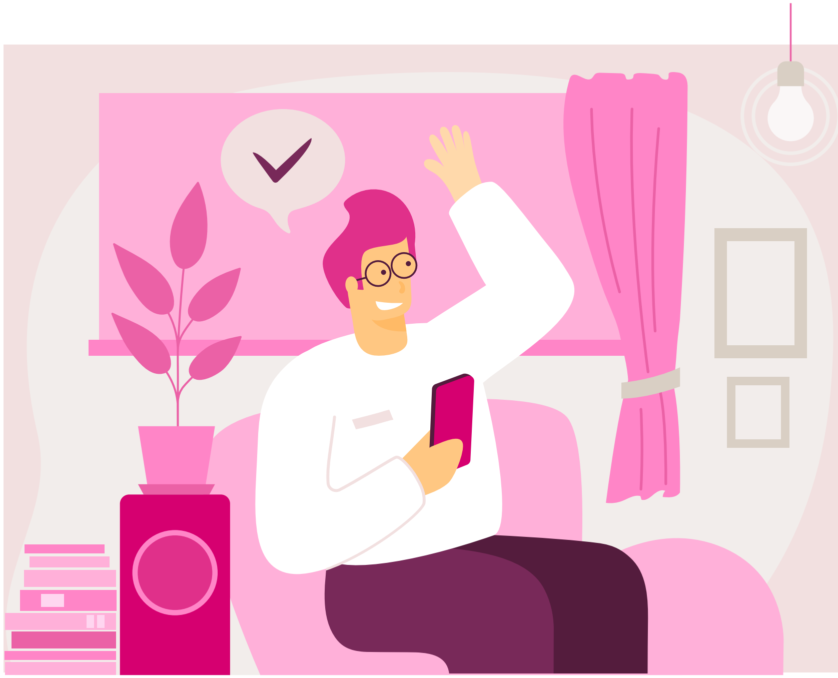
DNA's sustainability targets

Each key area, its targets and examples of main measures and their results in a nutshell:

DNA's sustainability programme and key objectives

Strategic area	Target	Performance in 2022	
A straight-forward sustainable partner	100% of DNA employees have completed Telenor's annual CoC training annually	100%	Target achieved
	100% of relevant personnel have received and completed human rights training annually	100% (Procurement & Data Security teams)	Target achieved
A humane and one-of-a-kind place to work	40% share of women in senior salaried roles by 2025	30.2%	Work has not started or is not progressing
	Over 80% of employees see DNA as a place where you can advance your career regardless of your background	83%	Work in progress
A digitally inclusive Finland	Increase in the number of people trained in digital skills (together with partners)	26 616 people trained in digital skills (Year 2022 is the baseline year)	Target achieved
Moving data within planetary boundaries	Carbon neutral DNA (Scope 1 and 2) by 2030	Scope 1: 89 CO_2t Scope 2: 7502 CO_2t (–54,5% compared to baseline year 2019)	Target achieved
	68% of largest suppliers by spend covered by SBTs by 2025.	32% (entire Telenor Group 41%)	Work in progress
	10% increase in recycled customer devices annually	+75%	Target achieved
Safe and secure services	100% of defined staff completed data privacy training annually	100%	Target achieved

Target achieved | Work in progress | Work has not started or is not progressing



Straightforward sustainable partner

We are committed to making sure sustainability is at the heart of our operations from our personnel to our suppliers. We want to demonstrate that we run an ethical business that contributes positively to the Finnish society. The promotion of DNA's responsible decision-making model continued in 2022, complemented by Telenor's new policies.

We adhere to our Code of Conduct and legislation

DNA adheres to national legislation in all its operations. As an employer, DNA adheres to the principles of the ILO Declaration on Fundamental Principles and Rights at Work, the UN Convention of the Rights of the Child, legislation on minimum wage and working hours, as well as general environmental, health, and safety requirements.

The main guideline for our operations is Telenor's Code of Conduct, which applies to all DNA employees. By the end of 2022, 100% of DNA personnel had completed and recapped Telenor's Code of Conduct training. DNA has an anonymous notification channel for reporting concerns about unethical or unlawful behaviour. DNA's employees can report any concerns through the Telenor-wide Integrity Hotline.

No incidents of discrimination, corruption or bribery, or human rights violations were identified at DNA in 2022.

DNA participates in the following sustainability initiatives:

- UN Global Compact (member of Network Finland as a subsidiary of Telenor)
- Corporate Responsibility Network FIBS
- Inklusiiv ry
- Science Based Targets Initiative (as part of Telenor)

Policies guide DNA's sustainability work

Our sustainability policies and manuals that complement them are shared with Telenor and include the following:

- Group Policy, Sustainability
  - Group manuals: Sustainability Environment & Climate, Sustainability Human Rights Due Diligence, Sustainability Partnerships, Sustainability E-Waste and Recycling, Responsible Business Reporting
- Group Policy, Business Partner Management
- Group Policy, Privacy
- Group Policy, Anti-Corruption
- Group Policy, People
  - Group manual: Diversity & Inclusion

Organisation of sustainability at DNA

The Sustainability Manager reports on the realisation of sustainability objectives to DNA's Executive Team and Board of Directors every six months. The body that ultimately accounts for DNA's sustainability is the Board of Directors.

In addition, DNA reports to Telenor four times a year in accordance with the Group-level responsibility objectives and DNA's figures are also included in the Telenor Group Sustainability report. You can read the report here.

Management of sustainability risks

DNA's risk management process provides reports on risks and risk management methods to the Executive Team and Board of Directors. Operational plans for the management of significant risks are drafted based on risk management reports, and the Executive Team and Audit Committee monitor the implementation of these plans. Sustainability risks are given equal consideration and are included in the company's overall risk management process and risk management reports.

For more information on risk management, please see Board of Director's Report.

DNA and human rights

DNA conducted its first Human Rights Due Diligence assessment in 2021. As DNA is a telecommunications operator, the main human rights related impacts are related to freedom of expression and privacy. This is why we must pay special attention to data security, and make sure that everyone at DNA understands the potential risks related to their work.

Other important themes in this area include looking after the well-being of our employees as well as enabling diversity at work. We also want to protect and safeguard children online as well as promote digital inclusion among all age groups.

Organisation of sustainability at DNA

Telenor's guidelines provide the framework for the implementation of sustainability at DNA.

Board of Directors

The Board of Directors discusses sustainability issues based on proposals by DNA's Executive Team. The Board approves the sustainability report as part of the Board of Directors' report.

DNA's Executive Team

DNA's Executive Team monitors the results of operations and discusses factors with significant sustainability impact. The CEO is in charge of sustainability in the Executive Team. The CEO decides on the main principles of sustainability based on proposals by the Sustainability Manager and Senior Vice President, Communications, Sustainability & Brand Development.

Senior Vice President, Communications, Sustainability & Brand Development

SVP, Communications, Sustainability & Brand Development is responsible for and reports to the Executive Team on the realisation of sustainability objectives.

Sustainability Manager

The Sustainability Manager coordinates the implementation of sustainability at DNA and is responsible for sustainability compliance and projects.

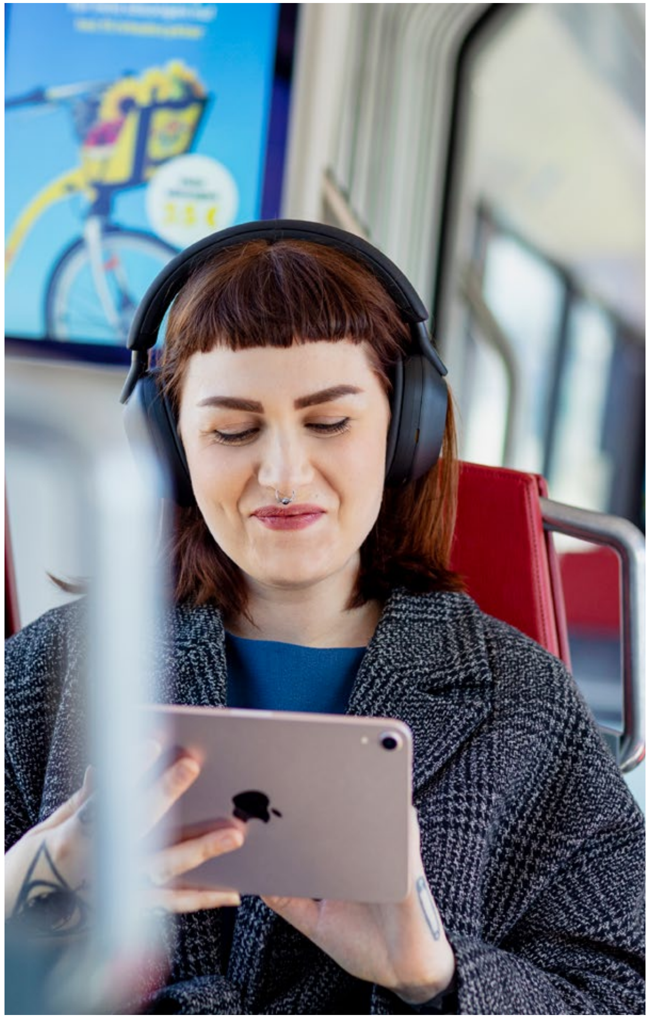
DNA's Sustainability Manager manages the following working groups:
- Diversity
- Environmental Management System (EMS)

DNA's Sustainability Manager is involved in the work of the following working groups:
- Compliance steering group
- Employer working group

+ Close cooperation with DNA's procurement, legal and HR departments.

The working groups discuss and plan matters related to sustainability and decide on their implementation and responsibilities.

In 2022, DNA's Sustainability Manager provided basic human rights training to DNA's information security and procurement personnel, explaining the impact of their roles in the enforcement of human rights.



Responsible procurement at DNA

DNA expects all partners to take economic, environmental, and social responsibility into consideration in their operations. DNA enforces a Supplier Code of Conduct. In 2022, an increasing number of significant new suppliers have also signed Telenor's Supplier Conduct Principles. These principles are always an essential part of the supplier agreement and also apply to the supplier's subcontractors. DNA's Supplier Code of Conduct also includes the requirement to uphold human rights and operate in a responsible manner.

DNA works with thousands of suppliers and subcontractors, a few dozen of which are considered to be significant suppliers. Significant suppliers include equipment manufacturers, solution providers, developers, and consulting companies, for example. Some of the significant suppliers and subcontractors operate in countries that involve risks, such as China and India. Significant suppliers are assessed regularly in terms of human rights risks, security and privacy risks, product and service risks, supplier risks, and country risks. Some of the significant suppliers and subcontractors operate in countries that involve risks, such as China and India. Responsibility of significant suppliers and subcontractors is also monitored regularly by surveys and joint meetings.

In 2022, DNA adopted Telenor's Business Partner Management model, which is a much more detailed and structured model covering the suppliers' operations from the signing of the contract to the post-contract stage. DNA will adopt Telenor's business partner risk management system in the beginning of 2023 to monitor, analyse and manage all corrective measures related to shortcomings in responsible business conduct.

DNA also made a stronger commitment to enforcing a climate goal among its suppliers in 2022. As part of Telenor, DNA contributes to the Science Based Targets Initiative (SBTi) with the aim that two thirds, or 68%, of our main suppliers, by spend, shall set science-based targets meeting the Paris Climate Agreement target. DNA issued a survey to its significant suppliers on their climate targets, organised two remote sessions with Telenor for suppliers and has also discussed supplier-specific topics in individual meetings.

The compliance function works together with sustainability and procurement functions to monitor responsible procurement and related measures at DNA.

Anti-corruption and anti-bribery

DNA has zero-tolerance of corruption and bribery: the Group's Code of Conduct bans any corruption, and this is also emphasised during the annual mandatory training for all employees. DNA also has separate guidelines for the giving and receiving of business gifts. The company does not have a separate risk assessment process for corruption. Any corruption risk is assessed as part of the Group's risk management process. No incidents of corruption or bribery were identified at DNA in 2022.

Transparent advocacy

The principles according to which DNA uses social influence stem from the company's values and Code of Conduct. The aim is to establish open two-way communication between decision-makers and DNA. The objectives of social influence are based on DNA's business strategy and business objectives.

The communication is also a means of disseminating information to provide a balanced view of benefits as well as possible challenges or problematic areas. The communication is respectful of the views of the other party, such as a decision-maker or other type of stakeholder.

Telenor has joined the EU Transparency Register. The Transparency Register, or lobbyist register, has been introduced to answer basic questions such as these: what interests are being represented at EU level, who represents those interests and with what budgets. The register is jointly maintained by the European Parliament and the European Commission.

As part of the Telenor Group, DNA has had the opportunity to access Telenor's EU networks and expertise as well as working on a joint Nordic platform in EU affairs.

DNA's tax footprint

In 2022, the taxes and tax-like fees paid by DNA in Finland amounted to EUR 189 million (201). DNA pays all its taxes in Finland. By doing so, DNA contributes to the development of the Finnish society as a whole.

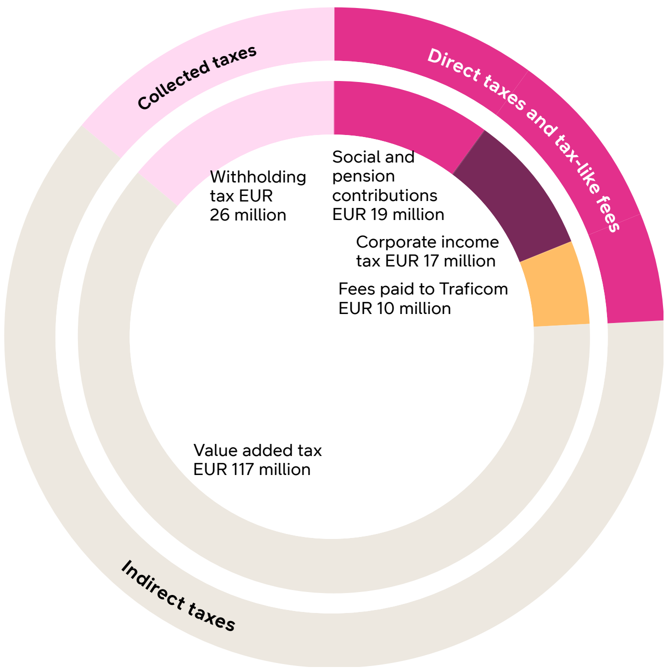
Taxes paid by DNA comprise direct, indirect, and collected taxes. Direct taxes consist of corporate income tax and tax-like fees paid directly by DNA. Value-added tax is an indirect tax paid by DNA. Collected taxes include tax collected and paid to the state, such as withholding taxes collected from employees' salaries and other self-assessed taxes, such as withholding taxes and source taxes on dividends.

Traficom is a public sector operator to which DNA pays tax-like fees, which were EUR 10 million in 2022 (22). These fees include, for example, spectrum licences, the information society fee, and communications network numbering fees.

Taxation is a factor considered in DNA's operation, operational processes, and risk management. DNA aims to reach an optimal taxation outcome in compliance with tax legislation, accounting legislation, and other regulations.

The taxes specified in the taxation contribution section are accrual-based

Tax footprint



EUR million	2022	2021
Direct taxes and tax-like fees		
Social and pension contributions	19	20
Corporate income tax	17	20
Fees paid to Finnish Transport and Communications Agency Traficom	10	22
Indirect taxes		
Value added tax	117	113
Collected taxes		
Withholding tax	26	26
Source tax	0	0
Other self-assessed taxes	0	0
Total	189	201

Humane and one-of-a-kind of place to work

For years, here at DNA we have followed a philosophy according to which the most satisfied customers can be achieved when we look after the well-being of our personnel. This is why the way we think, feel and act is humane. We want to provide everyone the freedom to shine as individuals in a diverse working community where employee well-being is high, and the atmosphere is one of trust and responsibility.

Why does DNA want to be a humane and one-of-a-kind place to work?

We know that to provide the best possible customer service, we need to be an excellent place to work. This is why we support the well-being of our personnel in many ways. DNA is a family-friendly employer that embraces diversity. The way the company is managed is based on mutual trust. We want to support the development of our personnel and encourage a working culture that is aligned with our values: fast, straightforward, and bold. We have successfully built a strong working culture at DNA, placing first in Finland in the Great Place to Work survey (GPTW) in 2019.

Our workforce is diverse in many ways. The personnel at DNA comprises more than 1,600 professionals from a range of different fields. It includes experts in information and communication technologies, data coding and programming, marketing and communications, legal affairs and regulation, customer service and sales as well as human resources – and this represents just a small part of our operations. DNA operates in 13 office locations around Finland and serves customers in more than 60 DNA Stores.

Satisfied personnel

Telenor's Group-wide personnel satisfaction survey provides us with valuable insight into the experience of DNA employees, feedback for assessing the current situation and development, as well as

> **DNA's new employer promise guarantees happier employees.**

comparative information about where we are in comparison to the other countries. DNA and Telenor Norway got the best results among the Nordic subsidiaries. The response rate of the 2022 survey was 68%.

According to the results, DNA's strengths are its corporate culture that emphasises a humane and one-of-a-kind DNA and the ability to maintain a healthy work-life balance. Suggestions for improvements included better cooperation and communication across organisational boundaries as well as employees' opportunities for creating their own career paths. As the survey results did not quite reach the previously recorded levels, DNA will aim to identify ways to turn the tide in 2023.

In order for the results to have a genuine impact on the development of our working culture and operations, the review of results and action planning will be carried out with the entire personnel. The results are reviewed at three levels: team, function, and company.

> "
> **92% of our employees feel that they can come to work with their unique one-of-a-kindness.**

DNA's new employer promise:
Humane and one-of-a-kind DNA

Why does working life need humanity? Watch the real-life stories:

DNA published its new employer promise in June 2022. Our promise is a tool for change towards a better working life. It is also genuine: if DNA employees feel that the promise is not fulfilled in everyday working life, they can discuss this with their supervisor who will intervene and, when necessary, will take the issue further. With the employer promise, DNA guarantees that our organisation can deliver on our customer promise of having the most satisfied customers – after all, best customer service is provided by satisfied personnel.

DNA's employer promise comprises of five pillars: straightforwardness, one-of-a-kindness, family-friendliness, continuous development and getting things done.

When publishing the promise, we also released videos of our employees sharing their individual, one-of-a-kind stories. The videos were very popular and broke previous viewership records.

Read more about [DNA's employer promise]

The long adoption process was a test of the humanity of working life

Watch Tarja's story

Losing a child was a hard lesson in empathy

Watch Jussi's story

Work burnout 13 years ago brought an insight that revolutionized the way of working

Watch Marko's story

Lawyer-Elisa changes to Forest-Elisa in her free time

Watch Elisa's story

One-of-a-kind, diverse DNA

We need a tolerant, non-discriminatory, and inclusive working culture to provide a safe working environment and to be able to fully look after the diverse needs of our customers.

DNA conducted diversity mapping in 2019 to uncover how diverse DNA is, what kind of attitudes prevail at the moment, and to collect feedback on discrimination. This work continued in 2020 with the introduction of an operational plan to promote diversity. This remained a strong focus area for DNA in 2021, and the work resulted, for example, in the launch of the One-of-a-kind website. In 2022, DNA organised two internal One-of-a-kind events.

The overall goal is a diverse workforce with a positively changed mindset towards diversity and inclusion. We have already worked towards this successfully: as many as 92% (93%) of DNA employees feel that they can be themselves at work, and 83% (85%) feel they can advance their careers regardless of their background. Overall, DNA employees are also satisfied with how their team supervisors deal with diversity: the four new questions on this topic got an average score of 4.3 points out of 5.

DNA will need to place more emphasis on diversity in practice, because at the moment, the workforce is quite homogenous. We will do this by placing special attention to the recruitment of women, people of all ages as well as non-native Finnish speaking candidates, and by promoting career path opportunities, for example. In 2023, DNA will start projects with Mimmit koodaa ("Women code") and Plan International Finland to promote interest in working in ICT among women and girls.

Like many other companies in the IT sector, DNA is facing a challenge in improving gender equality in management roles. DNA aims to increase the proportion of women in management to 35% by 2023 and to 40% by 2030. At the moment, it is 31%.

Other means of promoting diversity at DNA in 2022 included continuing the recruitment campaign where applicants are not asked to reveal their age or gender, nor do they need to write an application or provide a CV.

We also made the decision to make English the second official language in DNA's internal communication from the beginning of 2023.

DNA's diversity targets are monitored internally and reported to the Board of Directors twice a year.

DNA, Elisa, and Telia Finland continued as official partners of Helsinki Pride in 2022 under the theme "Together".

DNA placed emphasis on diversity in the One-of-a-kind events

Diversity was highlighted by organising two events for DNA personnel in 2022, allowing employees to discuss their personal experiences.

Guest speakers were also invited to provide fresh insights. In the spring, we heard from occupational psychologist Max Kuznetsov and in the autumn, from certified human rights trainer and diversity, equity and inclusion consultant Dakota Robin.

Both events had almost 500 participants, and the video recordings are among DNA's most popular internal content.

In September, we focused on ways to find courage for openness at DNA – openly being yourself and being open to others' one-of-a-kindness.

Family-Friendly Workplace

At DNA, family friendliness consists of practical action above all else. For some, it means more time for hobbies or friends, while for others it means flexible work that takes account of the needs of their family – keeping in mind that family does not only refer to a family with children. We understand that a healthy work-life balance promotes well-being and the ability to work.

The Family Federation of Finland has granted DNA the Family-Friendly Workplace certificate. The evaluation criteria consisted of the outcome of a family-friendliness survey among employees, the quality and implementation of our development plan, as well as audits by the Family Federation of the practical implementation of family friendliness in various DNA offices.

In 2021, DNA published a series of 15 "Our family" videos to showcase different types of families around Finland. For some, family means children, to others a spouse or spouses, yet others consider their friends or pets as family members. What is important is that everyone has a family. In 2022, family-friendliness was also named one of the five pillars of DNA's employer promise.

We promote health and well-being at DNA

DNA's goal is personnel that leads well-balanced, happy, healthy, and safe lives. We monitor and promote personnel well-being in cooperation with internal and external stakeholder partners.

Supervisors play an important role in enabling uncomplicated working practices and promoting working ability. If an employee faces challenges, DNA works with its occupational health care provider Mehiläinen to identify the best ways to support anyone with reduced working capacity. We also work continuously with our occupational health service as well as pension and accident insurance providers to learn to identify work-related risk factors that decrease working ability. Every year, we analyse the factors that increase the risk of disability among our personnel and launch targeted campaigns to combat them.

We will support our supervisors' everyday skills in this area by organising coaching for them in the winter of 2022–2023. We also promoted the cooperation between supervisors, HR, and occupational health care in 2022 by introducing a new, working ability management system called "EsihenkilöKompassi" ("Supervisor compass") which better helps us support the working ability of our employees. The new system also allows employees to access their own working ability data.

Respiratory tract infections increased sickness absences

Sickness-related absenteeism at DNA was higher in 2022 than in previous years. Sick leave days were up by 3,956 from 2021. The number of sick leave days was 8.6 per employee, compared to 6.3 in 2021. Respiratory tract infections, such as COVID infections, were the main cause for the increase. Sick leave days due to respiratory tract infections increased by 2,484 in 2022 from 2021.

The volume and reasons of longer periods of sick leaves were similar to those in previous years. Mental health issues are the main reason for longer periods of sick leaves, but there has been a moderate decrease in the total number of days over the past two years.

The number of people with musculoskeletal system problems was also slightly higher in 2022 from 2021. This was caused by longer waiting lists for operations in certain locations as well as the amount of days worked from home, which meant less everyday exercise for many. In 2022, Fjuul's exercise challenge encouraged DNA personnel to be more active with the goal of completing a 30-minute session on 20 days in a month. Employees are also encouraged to exercise during breaks and organise walking meetings. DNA's employees are the most avid users of Mehiläinen's lifestyle coaching programmes that focus on topics such as exercise and sleep.

Spirit of community supports well-being

A well-working team often boosts well-being at work. With the growth of remote work and resulting weaker sense of community, smooth teamwork has become more challenging. At DNA, we boost community spirit by many ways, such as team-specific events organised by team members, location-specific clubs organised by employees as well as events organised by DNA Kummit ("DNA Peers"). DNA has also identified the need to update DNA's operating model to prevent conflicts and harassment in the working community. To support this, personnel and supervisors will have coaching sessions on interaction and teamwork skills in 2023.

Support for better work-life balance

We want to make the lives of DNA personnel less complicated with the following services and operating models:

Flexible working

DNA's flexible method of working was introduced more than a decade ago. The concept is based on freedom, responsibility, and trust. Using mobile workstations, the employees decide independently where they work, without discussing this with their supervisor. In 2022, DNA increased the freedom and flexibility of work even further, allowing employees to work abroad for longer periods. Telenor has also been very interested in DNA's flexible working concept and is in the process of implementing it in its global operations.

Easily accessible low-threshold mental health services

DNA employees can book appointments with Mehiläinen's occupational psychologist by email. In addition, they can use the Auntie service, which provides online support for employees' mental well-being.

Grandparental leave

DNA's grandparental leave for employees is a well-established benefit, and several new grandparents took the leave in 2022. All DNA employees who become grandparents are entitled to one week's paid grandparental leave to spend time with their family. In total, almost 90 DNA employees have taken the leave so far.

Support for looking after elderly relatives

An increasing proportion of the working population is worried about a senior citizen, such as a parent. To address this issue, DNA continued to support employees who are looking after a senior citizen in 2022. The pilot stage started in early 2020. The employee benefit is provided in cooperation with Gubbe Sydänystävä Oy, which provides companionship services for elderly people. DNA pays a large proportion of the non-medical service purchased by an employee to an elderly relative.

The Job Match model

Changes sometimes occur in our employees' working ability, personal circumstances, or career aspirations. As a result, the person and the job no longer fit one another in the best possible way. When this happens, we can help the employee identify a new role within DNA or help them find a completely new career path with the Job Match service. The employee is assigned a personal career coach, who, by means of career planning, guides them to find a more suitable role in work or study. The Job Match model is usually recommended by the joint assessment of the employee, supervisor, and occupational health service.

Leadership by coaching with a human touch

DNA believes that good leadership lays the foundation for the growth and success of our personnel, and also their well-being. Freedom, responsibility and trust are at the heart of leadership at DNA. Leadership by coaching places special

emphasis on continuous interaction between the supervisor and the employee. DNA supports continuous interaction by regular one-to-one discussions between supervisors and team members.

At DNA, leadership is based on working according to DNA's values. Value-based leadership skills are backed by measurable leadership competences. One method of leadership development is a 360-degree survey intended for supervisors, which is used to assess these leadership competences in practice, and to focus support to develop them based on the feedback.

Some 30 certified internal coaches support the work of all supervisors and employees at DNA. They have been trained by Suomen Coaching Instituutti. With these skills, the internal DNA coaches can find new perspectives in the dynamic development of individuals, groups, and organisations.

DNA ensures personnel has necessary skills also in the future

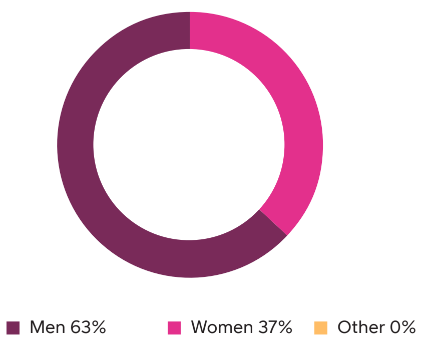
Skills management at DNA is based on strategic capabilities, which ensure that the company and employees can succeed also in the future. At DNA, strategic capabilities are used to communicate about the direction of skills development, so that employees know what is expected of them and which areas require further development so that they can maintain the skills required in the changing working environment. DNA has specified the following three key capabilities:

- Customer orientation
- Agile way of working
- Forerunner in the utilisation of data and artificial intelligence

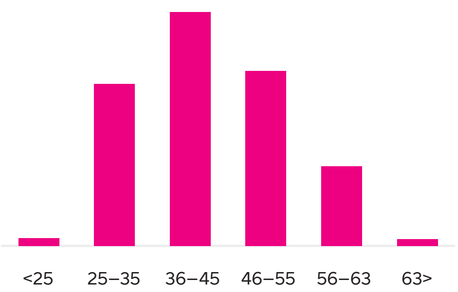
To support learning at work and to emphasise its importance at DNA, we launched a new learning challenge in February 2020, allowing each employee to allocate 40 hours of working time on their personal development per year. The learning challenge continued in 2022.

DNA is embracing internationalisation, which means we need employees with good English skills – also because English will become DNA's second official language in internal communication in 2023. DNA's language training partner provides interactive English lessons that our employees can attend at a time and place that is convenient to them. The aim is to improve each student's language skills by at least one level, or otherwise help them achieve a sufficient number of credits. Since 2022, DNA has also monitored the completion percentage of language courses. In 2022, 93% of participants completed the course.

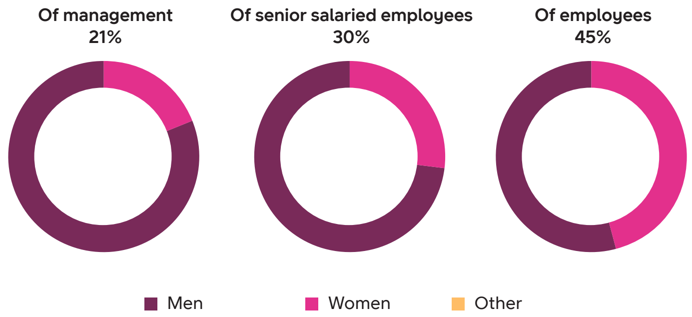
Gender distribution 2022



Age distribution 2022



Proportion of women 2022



Digitally inclusive Finland

We want to promote digital inclusion of everyone in Finland. We strive to ensure that nobody is left behind by enabling smooth digital connections and communications. We also want to encourage everyone to participate in the creation of a fair digital society that provides equal treatment to all citizens. At the same time, DNA wants to make sure that people in Finland are aware of the dangers of smart device overuse.

Why is digital inclusion so important to DNA?

Voice and data links have become a necessity for people and society at large: it is difficult to manage without good connections. However, consumers may find the product, service and solution offering of the telecommunications sector very complex and even difficult to understand. Nor does everyone in Finland have the devices or skills required in today's digital society. For some, inclusion may be difficult because of a physical barrier or disability.

DNA wants to contribute to the promotion of digital inclusion in Finland. We place special emphasis on high-quality comprehensive networks, fast connections, clear and understandable products and services, and excellent customer service.

DNA also wants to help those most vulnerable and to promote digital skills. In 2022, we continued our partnerships with SOS Children's Villages Finland, Helsinki Mission, Hope, Protect Children and Plan International Finland. We also started new cooperation with VTKL – The Finnish Association for the Welfare of Older Adults and the Mimmit koodaa ("Women code") programme.

For DNA, digital inclusion also means sensible use of smart devices. While smart devices have brought many good things, almost half of all Finns feel that they spend too much time using them. Excessive use was evident in all age groups, having a negative impact on relationships and often also on self-image. DNA continues to monitor the situation by further studies. We also organised the first-ever Disconnect Day in 2022.

Disconnect Day encourages people to focus on being present

DNA has studied people's attitudes towards the use of smart devices and found that as much as 44% of Finns feel that they spend too much time on their devices. Based on the results, DNA encouraged everyone who can to take a Disconnect Day on the 2 October and deliberately put their devices aside.

The initiative was well received and DNA plans to repeat it in 2023.

Read more about DNA's study on the use of smart devices and the Disconnect Day (both in Finnish).

DNA conducts surveys to increase awareness

Here at DNA, we are making constant efforts to deepen our understanding of digital citizens and their needs in Finland. This includes both internal surveys at DNA and surveys conducted by external partners. Data from the surveys helps us improve the customer experience, understand customer needs, develop our service offering, and disseminate useful information in the society.

In 2022, we published the Digital Inclusion in Finland survey to examine consumers' views on digital inclusion. We also published the annual School Survey to examine the phone use of Finnish children and young people, as well as the factors influencing the purchase and use of their phones. We also conducted a Digital Lifestyle Survey in 2022. You can see all our surveys here (in Finnish).

We help consumers navigate the fast-changing digital landscape

Digitalisation is accelerating, and DNA understands that consumers can sometimes struggle to keep up with the transformation. We help consumers increase their safety awareness and make their digital lives more secure by publishing articles in Finnish on topics including the most common online scams and methods, such as identity theft. DNA is also aware of parents' concerns over getting their children their first phone, and we have created a dedicated webpage for useful information on this topic in Finnish. The usefulness of DNA's articles is manifested by the number of views they get: the tips and guidelines are among the most viewed content on our website. In 2022, DNA also had an important task of informing our customers about the impact of the energy crisis on telecommunications operators.

Making day-to-day life easier for seniors

Learning digital skills is not always easy for senior citizens, but without at least some degree of digital skills, running many everyday errands may become very difficult.

DNA's support line, "Kiireetön linja" ("non-hurried service line"), offers unhurried customer service for the elderly. The service is aimed at all DNA customers who need unhurried customer service and guidance due to, for example, old age or visual, hearing, or other impairment. DNA's customer service also has the necessary skills to serve customers who use voice synthesizers or other communication aids. Customers can also schedule a chat or video meeting with customer service, for example, if they are hard of hearing or if seeing the problem will help the advisor solve it quicker.

DNA has teamed up with the Nordea and Lammin Säästöpankki banks to make the use of digital banking services as easy as possible for senior citizens.

All banking services are pre-installed on the Nordea tablet and advice and instructions are available at all DNA Stores and Nordea banks. The package is sold below its normal price and includes a tablet suitable for online services and an interface for the easy and flexible use of online services. The service is primarily aimed at customers who do not yet own a smart device.

The elderly are increasingly involved in the digital society

DNA published the Digital Inclusion in Finland survey also in 2022. The aim of the Digital Inclusion in Finland survey was to investigate the realisation of digital inclusion in Finland; interest in and adoption of new devices and services, existing devices and connections, and use of services.

Among other things, the survey revealed that interest in digital services and devices does not decrease with age. Among respondents aged 75 and over, 73% of were interested in new devices and 75% in new services. Of all respondents, 83% said they were eager to lean to use new devices or services.

You can read more about the survey and its results here (in Finnish).

Collaboration with partners

We cannot achieve digital inclusion in isolation. We need to work together with partners to make our work more effective and to bring expertise to the table to make sure those most vulnerable in our society will also benefit from digitalisation. The aim of DNA's partnerships is to help those most vulnerable but also to promote digital skills. We work with different groups including the elderly, children and young people, low-income families, immigrants, and women.

SOS Children's Village

We support the operations of the child welfare organisation SOS Children's Village in various ways as a principal partner. Our partnership dates back to 2011. In 2022, the focus of our cooperation was on the "Apuu" ("Help") chat service aimed at children aged 7 to 15 who feel vulnerable or threatened.

HelsinkiMissio

DNA supports HelsinkiMissio in the organisation's work to mitigate the loneliness of the elderly. DNA's sponsorship is channelled to free digital assistance for senior citizens, i.e., personal assistance intended to help those who want to improve their digital skills. The assistance was mostly provided remotely in 2021 because of the pandemic. DNA employees also have the opportunity to participate in HelsinkiMissio volunteer work to improve the situation.

Hope ry

DNA has made an agreement with Hope to donate devices for low-income families. DNA's sponsorship is directed according to the needs reported by Hope and it enables the charity's work for the benefit of families with limited means.

Suojellaan Lapsia ry – Protect Children

DNA supports Protect Children's #OnlineRoadSafety campaign. The project aims to support children's and parents' ability to recognise harmful, threatening, or high-risk digital situations and the understanding, knowledge, and skills to act when these are encountered.

Plan International Suomi

In the autumn of 2021, DNA started a project with the children's rights organisation Plan International Finland. DNA's main objectives for the cooperation include increasing diversity in its own operations and providing young people with an immigrant background the opportunity to learn how to apply for jobs and explore the ICT sector as a workplace. Plan International Finland and DNA trained 134 young people in 2022, giving them the opportunity to participate in digital work.

VKTL – The Finnish Association for the Welfare of Older Adults

DNA is the main cooperation partner in VTKL's Ikädigituki project, which is creating a nationwide helpdesk to promote the digital skills and digital inclusion of seniors. The partners will develop a free low-threshold service for all types of digital problems and questions that elderly people may have.

Mimmit koodaa -program (women code -program)

DNA promotes the employment of women in technology together with the Mimmit koodaa ("Women code") programme. While official cooperation will start in the spring of 2023, DNA already participated as a partner in the 2022 "Mimmit koodaa" event.

> **Plan International Finland and DNA trained together 134 young people with an immigrant background to the Finnish digital working life.**

Moving data within planetary boundaries

The ICT sector uses approximately 4–10% of global electricity and accounts for approximately 3–5% of all greenhouse gas emissions. DNA aims to make sure that data is transferred in its networks in the most climate-friendly way. We also look after the environment by recycling our waste and by helping customers recycle their old devices.

Why are climate-friendly operations so important to DNA?

Our digital services rely on our ICT infrastructure, which unfortunately can place the climate under stress. At the same time, digitalisation provides connections, which can help us tackle some climate-related issues.

The rapidly increasing data usage by consumers, businesses and the society will inevitably increase telecommunications operators' electricity consumption. Our customers' mobile data use per subscription has long been among the highest in the world. As a result, operators face a new challenge: how to meet the growing data needs while being mindful of the climate implications of increased energy consumption? To tackle this challenge, DNA has made the decision to move to electricity produced solely from renewable resources in its direct electricity procurement and to implement advanced and more energy-efficient technologies. It is now possible to optimise the efficiency of the network's energy-saving functionalities, for example, with the help of artificial intelligence solutions.

DNA's goal is to be fully carbon-neutral by 2030

DNA has joined Telenor's ambition for the Nordics, which is carbon-neutral business operations by 2030. In the summer of 2021, the Science Based Emission Targets Initiative (SBTi) approved Telenor's goal, confirming that the reduction target is in line with what climate science deems necessary to meet the Paris Climate Agreement target of limiting global warming to 1.5°C above pre-industrial levels.

To be able to achieve the target, DNA will need to review the electricity contracts of leased premises and include its carbon handprint services in the calculations in the coming years. In 2022, DNA sent a survey to all parties leasing radio network facilities as well as to DNA Stores operating in leased premises about electricity quality. This work will continue in 2023.

In 2021, DNA expanded the implementation of the Telenor-wide target to our suppliers. Our aim is that 68% of our main suppliers, by spend, shall set science-based targets for their operations by 2025. DNA conducted surveys among its main suppliers already in the autumn of 2021. Most of the suppliers included in the survey sent their responses to DNA by the end of 2021. The work continued in 2022: the survey was repeated by organising two remote sessions for suppliers and supplier-specific topics were discussed in individual meetings.

You can read more about Telenor's climate ambitions here.

DNA obtained the ISO 14001:2015 certificate for its Environmental Management System

In December 2022, DNA obtained its first company-wide ISO certificate. DNA adopted the ISO 14001-compliant EMS system in the beginning of 2022 and decided to certify the system during the year.

By systematic implementation of the EMS, DNA adopts a new approach that encourages continuous improvement through a critical review of the results twice a year.

Electricity consumption is responsible for most of DNA's emissions

For almost a decade, DNA has assessed its greenhouse gas emissions to identify the climate impact of DNA's operations. Our emissions comprise of the following:

- Direct greenhouse gas emissions (Scope 1): Fuels used in company vehicles and back-up generators.
- Indirect greenhouse gas emissions (Scope 2): Electricity consumption of DNA's radio network and transmission equipment as well as the maintenance of their equipment facilities.
- Other indirect greenhouse gas emissions (Scope 3): Logistics, business travel, waste as well as purchased goods, services, and capital goods.

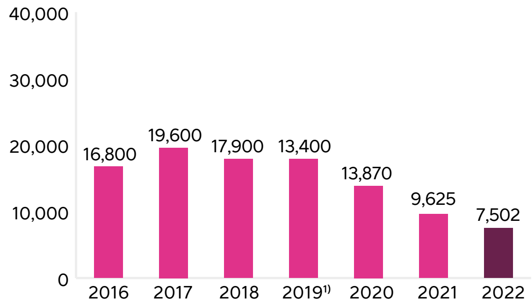
Indirect emissions account for most of our emissions. In 2022, DNA's energy indirect greenhouse gas emissions (Scope 2, market-based) were 7,502 tonnes (9,625). This is thanks to new, energy-efficient technologies.

> **In 2022 DNA reduced 28% of its Scope 2 emissions.**

You can find information on DNA's total emissions and Scope 1 and Scope 3 indicators under the section on Environmental Indicators.

DNA's directly procured energy is wind power and comes with a Guarantee of Origin (GoO).

Indirect greenhouse gas emissions (market-based), tonnes



[1] In 2019, the method for collecting data for Scope 2 was adjusted. The emissions figures for earlier years could not be updated in accordance with the new data collection method. As a result, emission data from different years is not fully comparable. Scope 2 emissions are based on both measurement and evaluation.

Small actions, big impact

In recent years, DNA has taken several measures to curb the energy consumption caused by increasing amounts of data. Our actions include the following:

- DNA will introduce large-scale energy-saving technologies utilising artificial intelligence in its radio networks. Based on practical field experiments, the savings will be significant, with further improvements in efficiency expected at least on an annual basis. Among other things, artificial intelligence enables energy consumption reductions during periods of low traffic. In the past, generic network algorithms took care of computation, but artificial intelligence offers new possibilities to do that even more efficiently and accurately.
- DNA is also striving to abandon any aging and energy-guzzling technology as soon as possible and, for example, it will replace its services that are based on the 3G radio network and telephone copper network with new solutions utilising 5G and fibre technologies in the coming years.
- All the electricity that DNA buys directly is produced with renewable energy. In 2022, all electricity purchased by DNA was produced by wind power.

> **All electricity purchased by DNA was produced by wind power.**

DNA's handprint: energy-efficient services

DNA's customers can avail of many solutions that help reduce greenhouse gas emissions:

5G network

DNA's 5G network construction continued, and one third of the population was covered by it by the end of the year. During the construction, the network is upgraded to the latest radio technology, with the best energy-efficiency available. In the future, 5G will play an increasingly important role in the transmission of both fixed-network and mobile data. The current network upgrade makes DNA's network energy efficient for years to come. You can follow DNA's 5G network construction here (in Finnish).

IoT

Internet of Things (IoT) has become part of everyday for many people. Sensors can measure, for example, air temperature and humidity or the fill-levels of bins, which helps make many everyday tasks more environmentally friendly. The real estate sector is a good example of an area where various sensors and remotely controlled lock solutions can make operations more efficient and climate-friendly thanks to data provided by the IoT. Read more about DNA's IoT services here.

Hosting services

DNA offers hosting services for corporate customers for various telecommunications needs. With no physical servers at their own premises, corporate customers can use servers at least five times more effectively in terms of emissions and electricity consumption. DNA's hosting services are provided by data centres that are managed and maintained by DNA in Finland. You can read more about the services here (in Finnish).

Wattinen

Heating buildings is one of the biggest sources of climate emissions. In 2019, DNA launched Wattinen, a new smart heating service, which helps housing companies reduce climate emissions from heating. With Wattinen, residents can maintain an ideal room temperature, while saving money and without compromising comfort. With the service, a housing company can save 15–30% on the energy used in heating while reducing greenhouse gas emissions in the same proportion. Read more about the Wattinen service here (in Finnish).

DNA continues to provide climate-smart services also in 2022.

More than 35,000 recycled devices

DNA encourages its customers to recycle their old devices. According to a study conducted by DNA, it can be estimated that the recycling of old devices through DNA reduces emissions by up to 1,000 tonnes (CO_2e) per year. This is equivalent to driving almost 5.5 million kilometres in a petrol car with average fuel consumption. In addition, by recycling devices, we collect and put valuable metals back into circulation, as the batteries and screens of smart phones and laptops contain materials like gold, platinum, silver , and copper. In 2022, we recycled more than 35,089 devices. The volume increased by 75% from 2022, which is an excellent demonstration of the consumers' growing interest in recycling.

Recycling is smart not only because of the climate, but also because of human rights: unfortunately, the mining of raw materials in many countries involves violations of the UN principles for human rights. DNA takes supply chain control seriously and works hard to ensure that our suppliers' operations are responsible.

At the moment, our clients receive a replacement refund for all functioning mobile phones and tablets when they replace it with a new one. A refund is also available for newer devices that are faulty. Customers can also simply bring their old devices to a DNA Store for recycling.

DNA compensates for 450 tonnes of greenhouse gas emissions

In 2022, DNA not only compensated all its 2021 Scope 1 emissions through Compensate, but increased the volume from 419 to 450 tCO_2.

By doing so, we support a reforestation project in Kenya and help protect forests in Peru and Indonesia. Read more about the projects.

Climate change is taking place here and now, and we want to help tackle one of the greatest societal challenges in any way we can. However, our main focus must always be on reducing our own emissions, compensation alone is not enough.

We will compensate our Scope 1 emissions also in 2023.

Safeguarding data security

We continue to improve our data security culture to secure our customers' data reliably and efficiently.

Why do we want to safeguard data security?

DNA is aware of its critical role as a provider of key services in the society. DNA wants to be a security-conscious service provider that safeguards customers' data security and works continuously to make the security tools and processes as well as data security culture more robust, both within the company and among our partners.

During the past decade, use of mobile devices that have a constant network connection has increased strongly among both business and private users. For example, vulnerabilities in mobile applications and software pose a significant threat to data security. The theme is of great interest to our customers, and there was more public discussion on the subject. This was particularly true in 2022 as the global security landscape was in turmoil as a result of Russia attacking Ukraine. DNA must be able to provide its customers with reliable services also under the current circumstances where critical infrastructure and service providers are increasingly likely targets. DNA has also worked in close cooperation with the authorities to prepare for possible power failures in 2023.

Data security policy steers our operations

DNA maintains a high level of data security and protection and a stringent security culture in the handling of all data related to its operations by adhering to laws, regulations, orders issued by authorities and best practices as well as Telenor's and DNA's policies and guidelines.

The purpose of data security at DNA is to enable the achievement of business objectives and protect critical success factors, such as DNA's customers, personnel, reputation, trademarks or brand name and service quality. At DNA, high level of data security of customers and services is a fundamental requirement. Data security supports DNA's core business and increases the appropriate availability of systems. Maintaining a good data security culture is of vital importance.

Telenor Group's data protection policy and guidelines determine how DNA can ensure that its operations and operating models are compliant with legislation on the processing of personal data and related responsibilities, and that it implements a high level of data security. The policy also specifies the main implementation methods.

Close cooperation with the Telenor Group has provided substantial added value to various areas of data security. Telenor's data security culture and operative performance are particularly strong, and DNA now has an opportunity to match them on a national level. As part of a global Group, DNA will also examine its practices in line with the Schrems II judgment issued by the Court of Justice of the European Union, taking into account the considerably stricter privacy requirements for international transfer of personal data.

Security Day was organised twice at DNA in 2022, focusing on current topics and best practices related to data security and protection. These events have proved very popular DNA personnel.

High level of data security and protection

We make our data security and protection culture increasingly robust by training our personnel and informing them of the threats related to the telecommunications operator business. Data security is included in new employees' induction training. and we also have several Telenor Group-wide and DNA-specific mandatory trainings that can be completed in Telenor's e-learning environment. We also organise additional targeted training for different professional groups. In 2022, DNA boosted the competence and awareness of its personnel through three themes:

- Better awareness of data security and privacy
- Higher level of technical data security competence
- Better understanding of ownership roles and recognition of responsibilities

We place special emphasis on working continuously to improve our administrative and technical capabilities to anticipate, identify and combat new and developing cyber threats.

Data security and protection issues have featured at a particularly high level in our customers' concerns. We have published a comprehensive information package on data protection and privacy on our website. We also publish a live feed of cyber security alerts and announcements published by Traficom's National Cyber Security Centre Finland (NCSC-FI).

DNA prevented more than 5 million scam calls in 2022

While the volume was down from 2021, our customers continued to be plagued by scam calls in 2022. The number of scam attempts via text messages remained high. Fraudsters are impersonating parcel delivery services, banks, and mobile operators. They attempt to install a scam application to an unsuspecting customer's device by sending them messages about the need to update their banking details or informing them about parcel deliveries or voicemail. During the year, we also identified scammers impersonating authorities. In May, the number of scam messages grew as a result of the international FluBot malware campaign, which Europol stopped.

In cooperation with its partners, DNA managed to stop hundreds of thousands of scam calls to Finland per month and was also successful in blocking scam messages. DNA works actively and continuously with other telecommunications operators and Traficom to keep the network threat-free. We will develop our ability to respond to new challenges further in 2023.

Services to boost our customers' data protection

We provide data security services to all our customers for various needs in cooperation with the best partners. We have a wide range of services for consumer customers who want to look after their own and their family members' data security as well as for corporate customers who want to protect their business, customers and personnel.

DNA "Turvapaketti" service

Looking after data security makes sense to keep your family safe online. In addition to anti-virus protection, the service helps you set limits to children's screen time and make sure their Wi-Fi connections and data are always protected. Read more here (in Finnish).

DNA "Tunnusturva" security app

DNA Tunnusturva is an easy-to-use password management solution which also alerts users about security concerns. It alerts the customer immediately about data breaches involving their data and provides clear instructions for preventing further damage. The password manager can also be used to create and manage passwords securely. Read more here (in Finnish).

Freedome VPN

The Freedome VPN service protects your privacy online so that advertisers and other third parties cannot track and collect information about you. It helps block unnecessary and malicious websites, protects your connection in open Wi-Fi networks and hides your IP address from the services you use. The service is developed by F-Secure and provided by DNA. Read more here (in Finnish).

Data security services for corporate customers

DNA has a comprehensive data security service offering for businesses to support them in the changing operating environment. DNA's experts maintain the services, leaving customers free to focus on their business without having to worry about security risks. By choosing the right data security services a business can not only secure its data, devices and networks, but also protects itself against denial-of-service attacks and can provide secure connections to employees who work remotely. Read more here.

DNA safeguards customer security daily. In 2022 DNA prevented more than 5 million scam calls in 2022.

DNA's reporting principles

As in previous years, DNA continued to report on sustainability in 2022 according to the Global Reporting Initiative (GRI) reporting model. DNA adobted partially the renewed GRI content index in 2022.

Reporting according to GRI

As in previous years, DNA continued to report on corporate responsibility in 2022 according to the Global Reporting Initiative reporting model. This is DNA's thirteenth GRI report. With a reporting period of one calendar year, DNA publishes this GRI-compliant sustainability report annually with the annual report. The previous report was published on 8 March 2022. This report has been prepared in accordance with the GRI Standards in force for the Core option. DNA has adopted the new standards published in October 2021. In 2022 DNA's GRI Index is not fully compliant to some of the General Disclousures. DNA will publish a full version in the following year depending on the status of the EU CSRD directive.

DNA's sustainability reporting is based on the guidelines, principles and calculation methods specified by GRI. It includes the data for DNA Plc, including DNA Store Ltd.

Any deviations from or changes to the calculation limits are mentioned with each key figure. Similarly, any changes in measurement methods are mentioned with each figure in the GRI table.

The indicators reported by DNA cover all of DNA's operations in all of Finland. As a subsidiary, DNA only operates in Finland, which is why DNA has not deemed it relevant to report on the basis of locations or activities.

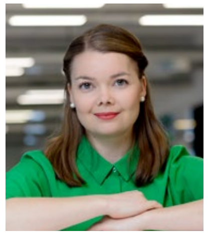
DNA reports its figures also in its parent company Telenor's annual report.

Assurance of the sustainability report

Unlike previous years, this report is not assured by an external party. This change is due to Telenor owning DNA. Telenor Group publishes its own sustainability report, which also includes DNA's information. Telenor's report will be assured in full. You can read more about Telenor's report here.

Contact information

We value stakeholder input. To learn more about DNA's sustainability themes, do not hesitate to contact us.



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Key figures

Environmental indicators

Direct greenhouse gas emissions (Scope 1) (tCO_2)

	2022	2021	2020	2019	2018
Direct greenhouse gas emission	88.6[1)]	381	440	500	520

1) DNA calculated in 2022 for the first time its Scope 1 data with Telenor's model.
The main reson behind the decline is that the model does not include refrigerants in the back-up generators.

Indirect greenhouse gas emissions (Scope 2) (tCO_2)[1)]

	2022	2021	2020	2019[2)]	2018
Indirect greenhouse gas emissions (market-based)	7,502	9,625	13,870	13,400	17,900

1) The Global Warming Potential (GWP) is based on the following reference: IPCC Fourth Assessment Report (AR4 - 100 year). The comparison year for DNA's Scope 2 climate objectives is 2019.

2) In 2019, the method for collecting source data relating to the procurement of purchased electricity (Scope 2) was adjusted. The emissions figures for earlier years could not be updated in accordance with the new data collection method. As a result, emission data from different years is not fully comparable. The Scope 2 emissions reported by DNA are based on both measurement and evaluation.

Scope 3, according to the Science Based Target initiatives target setting

Starting from year 2022 DNA will report its Scope 3 calculations according to Telenor's SBTi target setting. We will follow the amount of our suppliers have set their targets under the same initiative.

	2022
According to spend, the share of the largest suppliers of purchased goods, services and capital goods that have set science-based climate targets (SBTi) (%)	32

Environmental indicators

Greenhouse gas (GHG) emissions intensity

Radio network emissions in proportion to annual radio network data transfer volumes (tCO_2/TB)[1)]

	2022	2021	2020	2019[2)]	2018
Radio network emissions in proportion to annual radio network data transfer volumes (tCO_2/TB)	0.004	0.01	0.01	0.01	0.02

1) Global Warming Potential (GWP) rate is based on the following reference: IPCC Fourth Assessment Report (AR4 - 100 year).

2) In 2019, the method for collecting source data relating to the procurement of purchased electricity (Scope 2) was adjusted. The emissions figures for earlier years could not be updated in accordance with the new data collection method. As a result, emission data from different years is not fully comparable. Total emissions reported by DNA are based on both measurement and evaluation.

Total weight of waste by type and disposal method (tonnes)

	2022	2021	2020[1)]	2019	2018
Hazardous waste (also includes potentially hazardous WEEE waste)	103	83	N/A	10	21
Recyclable waste	235	136	N/A	415	515
Combustible waste	38	156	N/A	24	33
Disposable waste	2	96	N/A	11	7
Scrap electrical and electronic items[2)]	197	249	N/A	N/A	N/A
Total	575	720	N/A	460	577

1) No reliable figures are available for 2020 due to the low response rate among major waste management operators.

2) Presented as a separate fraction due to DNA's business sector.

Social responsibility indicators

Information on employees and other workers[1]

Open-ended	2022	2021	2020	2019	2018
Women	**640**	620	608	623	625
Men	**1,014**	980	973	971	946
Other	**0**	0	N/A	N/A	N/A
Total	**1,654**	1,579	1,581	1,594	1,571

Fixed-term	2022	2021	2020	2019	2018
Women	**18**	8	9	14	12
Men	**18**	13	18	12	7
Other	**0**	0	N/A	N/A	N/A
Total	**36**	21	27	26	19

Full-time	2022	2021	2020	2019	2018
Women	**634**	584	569	584	575
Men	**1,025**	953	972	966	938
Other	**0**	0	N/A	N/A	N/A
Total	**1,659**	1,537	1,541	1,550	1,513

Part-time	2022	2021	2020	2019	2018
Women	24	43	48	54	62
Men	7	20	19	16	15
Other	0	0	N/A	N/A	N/A
Total	31	63	67	70	77

[1] Data does not include leased workers or summer help. Other sections of this report also include summer help.

Diversity of governance bodies and personnel

Gender structure

By gender	2022	2021	2020	2019	2018
Women	37%	39%	38%	39%	40%
Men	63%	61%	62%	61%	60%
Other	0%	0%	N/A	N/A	N/A
Total	100%	100%	100%	100%	100%

Share of women (%) per personnel group

Personnel groups include women as follows:	2022	2021	2020	2019	2018
Of management	20.7%	19%	22%	23%	24%
Of senior salaried employees	30.2%	27%	28%	27%	26%
Of salaried employees	44.6%	46%	46%	47%	47%

Age structure

By age group	2022	2021	2020	2019	2018
< 25	**1.2%**	1%	1%	1%	1%
25–35	**24.5%**	24%	24%	25%	26%
36–45	**35.3%**	37%	38%	38%	38%
46–55	**26.4%**	26%	25%	24%	24%
56–63	**12.0%**	11%	11%	10%	10%
> 63	**0.7%**	1%	1%	1%	0%
Total	**100%**	100%	100%	100%	100%

Social responsibility indicators

New employee hires and employee turnover

New hires and employee turnover

New hires	2022	2021[1]	2020	2019	2018
Women	77	55	40	56	39
Male	136	62	73	102	89
Other	0	0	N/A	N/A	N/A
< 25	17	10	12	28	27
25–35	109	70	42	82	61
36–45	62	25	43	32	31
46–55	17	11	15	14	9
56–63	7	0	0	2	0
> 63	1	1	1	0	0

Employee turnover	2022	2021[1]	2020	2019	2018
Women	54	50	76	66	54
Male	123	118	84	89	70
Other	0	0	N/A	N/A	N/A
< 25	18	2	19	21	14
25–35	66	51	47	55	40
36–45	40	58	37	42	39
46–55	24	24	25	16	14
56–63	10	18	20	12	14
Yli 63	19	15	12	9	3

[1] Includes summer help.

Average employee turnover

	2022	2021	2020	2019	2018
Average employee turnover, % (calculated from monthly average values))	1.3	1.98	1.6	1.73	1.44

Average hours of training per year per employee

	2022	2021	2020	2019	2018
Average hours of training per employee	14,5[1]	21,5	18,8	13,4	15,6

[1] Decrease in the data is linked to the transition into Telenor's L&D system. Not all training hours are seen in the data.

GRI-Content Index

In 2022 DNA's GRI Index is not fully compliant to some of the General Disclousures. DNA will publish a full version in the following year depending on the status of the EU CSRD directive. DNA is a part of Telenor ASA that publishes a full GRI compliant report. See Telenors report on the website: https://www.telenor.com/investors/reports-and-information/.

Title and disclosure number	Disclosure Name	Sources, location and additional information
General Disclosures 2021		
The organization and its reporting practices		
2-1	Organizational details	p. 38
2-2	Entities included in the organization's sustainability reporting	DNA Plc, DNA Store Ltd and DNA Welho Ltd
2-3	Reporting period, frequency and contact point	p. 35
2-4	Restatements of information	p. 35–39
2-5	External assurance	p. 35
Activities and workers		
2-6	Activities, value chain and other business relationships	DNA's Corporate Governance Statement 2022
2-7	Employees	Social responsibility indicators
2-8	Workers who are not employees	DNA employes leased workers to its stores and customer service.
Governance		
2-9	Governance structure and composition	DNA's Corporate Governance Statement 2022, full reporting to be added to next year's report.
2-10	Nomination and selection of the highest governance body	DNA's Corporate Governance Statement 2022, full reporting to be added to next year's report.
2-11	Chair of the highest governance body	DNA's Corporate Governance Statement 2022, full reporting to be added to next year's report.
2-12	Role of the highest governance body in overseeing the management of impacts	DNA's Corporate Governance Statement 2022
2-13	Delegation of responsibility for managing impacts	p. 15
2-14	Role of the highest governance body in sustainability reporting	DNA's sustainablity topics and reporting are reviewed and approved by the Executive Management Team. The Board of Directors approves the topics and the report.
2-15	Conflicts of interest	To be added into next year's report.
2-16	Communication of critical concerns	DNA's Corporate Governance Statement 2022, Telenor's Annual Report.
2-17	Collective knowledge of the highest governance body	No DNA lead education provided to Board of Directors in 2022.
2-18	Evaluation of the performance of the highest governance body	To be added into next year's report.
2-19	Remuneration policies	To be added into next year's report.
2-20	Process to determine remuneration	To be added into next year's report.
2-21	Annual total compensation ratio	To be added into next year's report.
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	p. 3–5
2-23	Policy commitments	Straightforward sustainable partner p. 14–15
2-24	Embedding policy commitments	Straightforward sustainable partner p. 14–15
2-25	Processes to remediate negative impacts	Straightforward sustainable partner p.14, Telenor Integrity Hotline: https://www.telenor.com/code-of-conduct/how-to-speak-up

Title and disclosure number	Disclosure Name	Sources, location and additional information
2-26	Mechanisms for seeking advice and raising concerns	Straightforward sustainable partner p.14, Telenor Integrity Hotline: https://www.telenor.com/code-of-conduct/how-to-speak-up
2-27	Compliance with laws and regulations	No incidents for DNA in 2022.
2-28	Membership associations	Straightforward sustainable partner p. 14–17. DNA is a member of Groupe Speciale Mobile Association (GSMA), European Competitive Telecommunications Association (ECTA), the Finnish Federation for Communications and Teleinformatics (FiCom), the Service Sector Employers PALTA, Association of Finnish Advertisers, IAB Finland, Data & Marketing Association of Finland (DMA Finland/ASML) and the Helsinki Region Chamber of Commerce. DNA is also a member of FIBS, UN Global Compact (subsidiary of Telenor)and Inklusiiv.
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Straightforward and sustainable partner p. 14–16: DNA's important stakeholders include: customers, personnel, suppliers and subcontractors, partners, NGO's, authorities and political decision-makers, the media, financial and insurance markets, labour market organisations and competitors. DNA includes stakeholders via e.g. surveys, feedback mechanisms, social media as well as work together with partners listed on p. 27.
2-30	Collective bargaining agreements	All DNA Group employees are covered by the applicable collective bargaining agreements specific to each employee category. Service and production employees are covered by the collective agreement in the energy-ICT-networks sector, and administrative and managerial employees by the collective agreement for salaried and senior salaried employees in the ICT sector.
Material Topics		
3-1	Process to determine material topics	p. 11, 14–17, 18, 24, 28, 32
3-2	List of material topics	p. 11

Title and disclosure number	Disclosure Name	Sources, location and additional information
3-3	3-3 Management of material topics	p. 11, 14–17, 18, 24, 28, 32
3-1	Process to determine material topics	p. 11, 14–17, 18, 24, 28, 32
3-2	List of material topics	p. 11
3-3	Management of material topics	p. 11, 14-17, 18, 24, 28, 32
200 – Economic performance		
Anti-corruption		
205-2	Communication and training on anti-corruption policies and procedures	By the end of 2021, 100% of personnel had completed the Code of Conduct training.
205-3	Confirmed incidents of corruption and actions taken	There were no incidents of corruption at DNA in 2022.
Anti-competitive behaviour		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	During the reporting period DNA was not a subject to legal actions for violation of competition legislation.
300 – Environmental		
Emissions		
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	Environmental indicators
305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Environmental indicators
305-4	Greenhouse gas (GHG) emissions intensity	Environmental indicators
Effluents and waste		
306-2	Total weight of waste by type and disposal method	Environmental indicators
Environmental compliance		
307-1	Non-compliance with environmental laws and regulations	There were no incidents of non-compliance with environmental laws and regulations DNA in 2022.

Title and disclosure number	Disclosure Name	Sources, location and additional information
400 – Social		
Employment		
401-1	New employee hires and employee turnover	Social responsibility indicators
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	DNA Plc provides the same benefits to all employees, regardless of employment type. The benefits and policies of DNA's sales organisation, DNA Store Ltd, apply to all DNA Store employees regardless of employment type.
Occupational health and safety		
403-1	Occupational health and safety management system	DNA complies to Telenor's policies and guidelines related to people management.
403-2	Hazard identification, risk assessment, and incident investigation	DNA does risk management according to the Telenor guidelines and manuals.
403-3	Occupational health services	p. 21–22
403-5	Worker training on occupational health and safety	DNA offers many courses related to OHS depending on the different job descriptions it has. OHS issues are also a compulsory part of the Code of Coduct training. 100% of DNA's employees had gone through the training in 2022.
403-6	Promotion of worker health	p. 21–22
403-8	Workers covered by an occupational health and safety management system	All employees are covered by DNA's OHS management system.
403-10	Work-related ill health	p. 21
Training and education		
404-1	Average hours of training per year per employee	Social responsibility indicators
404-2	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Social responsibility indicators

Title and disclosure number	Disclosure Name	Sources, location and additional information
Non-discrimination		
406-1	Total number of incidents of discrimination and corrective actions taken	No incidents of discrimination occurred at DNA Group in 2022.
Public policy		
415-1	Political contributions	DNA Group does not support any political parties, politicians or similar institutions. According to this policy, DNA did not provide any political contributions in 2022.
Marketing and labelling		
417-3	Incidents of non-compliance with regulations and voluntary codes concerning marketing communications	In 2022, no court decisions were issued in relation to DNA's marketing, nor did the Market Court issue any conditional fines.
Socioeconomic compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	In 2022, DNA was not ordered to pay any fines or other sanctions for non-compliance with laws or regulations.

DNA's Corporate Governance Statement 2022

DNA's Corporate Governance Statement 2022

DNA Plc is a Finnish public limited liability company providing voice, data, and TV services to private customers and corporations. The parent company, DNA Plc, and its subsidiaries form the DNA Group. DNA is owned by the Norwegian Telenor Group, which is a leading telecommunications operator in the Nordic countries and Asia. Telenor is listed on the Oslo Stock Exchange. DNA is domiciled in Helsinki, Finland.

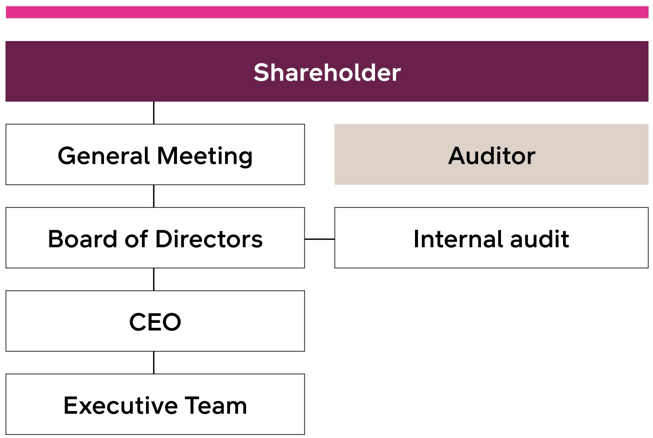
DNA complies with its Articles of Association, the rules of procedure of DNA's Board of Directors, the Finnish Limited Liability Companies Act, Accounting Act and Securities Markets Act, and the rules, regulations and instructions issued by Nasdaq Helsinki Ltd and the Finnish Financial Supervisory Authority, as well as other applicable regulations in Finland.

After the delisting of its shares, DNA is not subject to reporting obligations as an issuer of shares as set out in the Finnish Securities Markets Act. DNA is still subject to reporting obligations as an issuer of the senior unsecured fixed rate notes that are due 2025 (ISIN: FI4000312095).

This report describes DNA's corporate governance in 2022 and is published separately from the Board of Directors' annual report.

DNA's governing bodies

DNA's governing bodies comprise the General Meeting, the Board of Directors and the CEO. The Board of Directors and the CEO are responsible for management. The Executive Team assists the CEO.



General Meeting

The General Meeting is DNA's highest decision-making body. The Annual General Meeting (AGM) is held within six months of the end of the financial year. Extraordinary General Meetings can be organised as required. Since DNA has only one shareholder since 2020, in accordance with the Companies Act Chapter 5 Section 1, it can make decisions in a matter within the competence of the General Meeting without holding a meeting.

According to DNA's Articles of Association, the responsibilities of the Annual General Meeting includes among other things:

- Adopting the financial statements, which in the parent company also means the consolidated financial statements
- Deciding on the distribution of the profit shown on the balance sheet
- Discharging the members of the Board of Directors and the CEO from liability
- Electing the members of the Board of Directors and deciding on their remuneration
- Electing the auditor and deciding on the auditor's remuneration.

The General Meeting may also make decisions on other matters falling within its competence according to the Finnish Limited Liability Companies Act, such as amending the Articles of Association.

Decisions of DNA Plc's shareholder on matters belonging to the AGM on 24 March 2022

DNA Plc's sole shareholder, Telenor Finland Holding Oy, decided to make decisions belonging to the Annual General Meeting without holding the Annual General Meeting. The AGM adopted DNA's consolidated financial statements for 2021 and the financial statements of the parent company. The AGM discharged DNA's Board of Directors and CEO from liability for the financial period 2021.

It was decided that the company distribute a dividend of EUR 1.52 per share for the financial year ending 31 December 2021. Based on the number of shares on 31 December 2021, a total dividend of EUR 200,916,919.68 was distributed. It was also decided that the remaining portion of the distributable funds be retained in equity.

Jukka Leinonen was elected as the Chairman of the Board of Directors and the following as Members of the Board of Directors: Birgitte Engebretsen, Gaute Simen Gravir, Håvard Naustdal and Trine Rønningen.

Decisions of DNA Plc's shareholder on matters belonging to the Extraordinary General Meetings on 13 September 2022 and 30 December 2022

DNA Plc's sole shareholder, Telenor Finland Holding Oy, decided to make decisions belonging to the Extraordinary Meetings without holding the Extraordinary Meetings. On 13 September 2022, Petter-Børre Furberg was elected as the Chairman of the Board of Directors and the following as Members of the Board of Directors: Birgitte Engebretsen, Gaute Simen Gravir, Håvard Naustdal and Trine Rønningen.

On 30 December 2022, it was decided that as of 1 January 2023, the number of Members of the Board of Directors will be three (3). Petter-Børre Furberg continued as the Chairman of the Board of Directors and Cecilie Heuch and Thomas Thyholdt were named as members.

DNA's Board of Directors

According to DNA's Articles of Association, the Board of Directors comprises three to seven ordinary members. Members and the Chairman of the Board are elected by the General Meeting. The Board of Directors has a duty to promote the interests of the company and its shareholders. The Board of Directors has confirmed a written charter on the duties of the Board of Directors, matters to be addressed, meeting practices, and the decision-making process.

Board of Directors in 2022

Board of Directors 1 January – 24 March 2022: Jukka Leinonen (Chairman), Birgitte Engebretsen, Gaute Simen Gravir, Nils Katla, Håvard Naustdal and Trine Rønningen.

Board of Directors 24 March – 13 September 2022: Jukka Leinonen (Chairman), Birgitte Engebretsen, Gaute Simen Gravir, Håvard Naustdal and Trine Rønningen.

Board of Directors 13 September – 31 December 2022: Petter-Børre Furberg (Chairman), Birgitte Engebretsen, Gaute Simen Gravir, Håvard Naustdal and Trine Rønningen.

The Board convened nine times in 2022.

Board-Level Employee Representation

1 January – 31 December 2022: Teemu Kaski and Mika Oja (alternate Katja Komeza).

Board of Directors at the end of 2022

Petter-Børre Furberg

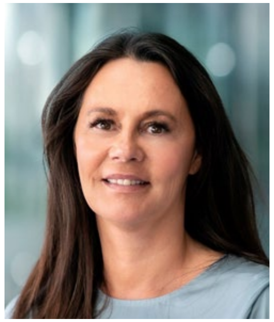
Born 1967

Chair of the Board

Siviløkonom

EVP, Head of Telenor Nordics, Telenor Group

Member of DNA's Board of Directors since 2022.



Birgitte Engebretsen

Born 1972

Member of the Board

Business Economist

CEO, Telenor Norway

Member of DNA's Board of Directors since 2021.

Gaute Simen Gravir

Born 1973

Member of the Board

LLM

VP, M&A, Telenor Group

Member of DNA's Board of Directors since 2021.

Håvard Naustdal

Born 1981

Member of the Board

M. Sc. (Econ.)

Business Manager, Telenor Group

Member of DNA's Board of Directors since 2021.

Trine Rønningen

Born 1975

Member of the Board

M. Sc. (Econ.)

VP, CHRO, Telenor Group

Member of DNA's Board of Directors since 2021.

CEO

Jussi Tolvanen

Born 1978

M.Sc. (Econ.)

CEO

With DNA since 2021

Jussi Tolvanen is a member of the management group of Telenor Nordics, which coordinates Nordic cooperation at DNA's parent company Telenor Group.

The CEO and the Executive Team

The CEO is nominated and overseen by the Board of Directors. The terms of the CEO's employment are specified in a written CEO agreement, which is approved by the Board of Directors.

The duties of DNA's CEO are determined in accordance with the Limited Liability Companies Act.

DNA's Executive Team comprises of the CEO, Senior Vice Presidents for Consumer Business and Corporate Business, the CFO, Senior Vice Presidents for Technology, Corporate Affairs and Human Resources, the CSO, the CIO and Senior Vice President, Communications, Sustainability and Brand Development. The CEO is the Chair of DNA's Executive Team. The CEO does not have an employment contract with the company, and the CEO is not the company's employee.

Changes in DNA's Executive Team in 2022

Bjørn Taale Sandberg was appointed Chief Strategy Officer (CSO) and member of the Executive Team as of 1 April 2022.

Olli Sirkka, Senior Vice President, Corporate Business, DNA, and member of the Executive Team, left the company on 16 September 2022. Anna-Mari Ylihurula, M.Sc. (Technology), eMBA, was appointed DNA's Senior Vice President, Corporate Business, and a member of the Executive Team as of August 2023. Pekka Väisänen, DNA's SVP, Consumer Business, will work as the acting SVP, Corporate Business, in addition to his other duties.

DNA's CIO and a member of the Executive Team Janne Aalto moved to DNA's parent company Telenor's Nordic organisation as CIO on 1 September 2022 and was therefore leaving his position at DNA. Taneli Ropponen, who has worked as the head of DNA's ERP, Integrations and IT Production, serves as the acting CIO and a member of the Executive Team as of 1 September 2022.

DNA's CFO and a member of the DNA's Executive Team Maria Strömberg left her position on 25 October 2022. Timo Kipinoinen, who has worked as Senior Business Controller, Consumer Business, has served as DNA's acting CFO and a member of the Executive Team since 26 October 2022.

Executive Team at the end of 2022

Timo Kipinoinen

Acting Chief Financial Officer

M.Sc. (Econ.)

Born 1979

With DNA since 2019

Asta Rantanen

Senior Vice President, Corporate Affairs

LL.M.

Born 1962

With DNA since 2003

Marko Rissanen

Senior Vice President, Human Resources

Vocational Qualification in Business and Administration

Born 1974

With DNA since 2003

Taneli Ropponen

Acting Chief Information Officer

MSocSc

Born 1967

With DNA since 2001

Bjørn Taale Sandberg

Senior Vice President, Strategy

M.Sc. (Computers), Master of Management

Born 1964

With DNA since 2022

Vilhelmiina Wahlbeck

Senior Vice President, Communications, Sustainability and Brand Development

M.Sc. (Pol. Sc.)

Born 1976

With DNA since 2003

Ville Virtanen

Senior Vice President, Technology

Engineer, EMBA

Born 1975

With DNA since 2004

Pekka Väisänen

Senior Vice President, Consumer Business & Corporate Business (acting)

M.Sc. (Econ.)

Born 1966

With DNA 2003–2006 and again since 2007

More detailed CVs of the members of the Executive Team are available at https://corporate.dna.fi/company/executiveteam.

Risk management and internal control

The purpose of internal control is to ensure that the company's operations comply with applicable laws and regulations, as well as the operating principles, and that financial and operational reporting is reliable.

DNA strives to ensure that its internal control and risk management systems are reliable and appropriate in relation to the scope and nature of its operations. The purpose of internal control and risk management procedures is to ensure the efficiency and effectiveness of the company's business, as well as the reliability of information, prevent malpractice and ensure compliance with all applicable laws, regulations and operating principles, as well as to identify, assess and monitor risks related to the business.

Key features of risk management and internal control related to the financial reporting process

DNA's business segments are Consumer and Corporate Business. The company's financial reporting is based on the financial information of each unit on the profitability of their respected businesses, combined with segment and Group-level information.

Setting and monitoring financial targets forms an essential part of DNA's management. Near-term financial goals are specified during annual planning. Internal control of financial reporting aims to ensure that the company management has up-to-date, adequate, essential and accurate data at its disposal to perform its duties and that the reports published by the company provide essential and accurate information on the financial position of the company.

Financial management is headed by the Group CFO, who is responsible for the accuracy of the Group's financial reporting. Internal control reviews and monitors the operation of the reporting process and assesses the reliability of financial reporting. Management of financing and financial risks is one of the responsibilities of the Group's financial management. The Group applies the International Financial Reporting Standards (IFRS).

Monitoring and oversight

DNA earnings are reviewed monthly by the company's Executive Team and quarterly by the Board of Directors. DNA also reports monthly to the parent company of the Telenor Group, Telenor ASA.

Purpose and objectives of risk management

The purpose of risk management at DNA is to identify, assess and process all major foreseeable risks in an effective, proactive and appropriate manner.

Risk refers to events or circumstances which, if they materialise, could affect DNA's ability to achieve its strategic targets or the operative targets derived from them. If they materialise, risk factors could affect the ability to achieve strategic and operational goals.

The identification and management of risk factors takes into account the special characteristics of DNA's business and operational environment.

Risk management process

As part of Telenor, DNA's risk management process is largely based on the ISO 31000 standard. The process is ongoing and continuous and is used throughout Telenor.

Monitoring, oversight and reporting

Risk management reporting is integrated into the internal reporting of each business unit as well as their reporting to the Telenor Group. Identified risks and responses are to be monitored, and Telenor must monitor both internal and external developments and conditions which may have an impact on the risk landscape.

Main areas of monitoring, oversight and reporting:

- Monitoring any events and circumstances that could have an impact on the risk landscape
- Monitoring the status of identified risks and actions
- Reporting on the risk landscape to Group management.

Key risk management roles

Role of the Board of Directors of Telenor ASA

The Board of Directors of Telenor ASA monitors and guides the executive management by evaluating the acceptable level of risk, keeping up to date in terms of main risks, and providing feedback to the executive management on its operations.

Role of Telenor Group's CEO

Telenor Group's CEO (President and Chief Executive Officer) is responsible for Telenor's risk management by:

- Ensuring that the organisation's risk culture is positive
- Deciding on Telenor's main risk landscape and appropriate actions based on the feedback from business units and Group companies as well as Group functions
- Presenting the Group-wide risk framework to the Broad of Directors twice a year with the Group Risk Forum and, when necessary, escalating decisions on risk management to the Board of Directors.

The role of the Group Enterprise Risk Management

Telenor's Group Enterprise Risk Management has a Group-wide focus. It develops, implements and maintains an advanced risk management framework, process and system throughout Telenor.

Roles of Group functions

Group functions are responsible for the Group-wide risk landscape in their respective area (e.g. security, regulation, legislation or taxation) and support the Business Units in the identification and assessment of risks in these areas.

The role of DNA's CEO

DNA's CEO has the ownership responsibility for DNA's risk management:

- Ensuring the presence of a positive risk culture within the Business Unit ("tone at the top")
- Providing leadership and direction to the management and monitoring DNA's overall risk activities in relation to Telenor's risk appetite
- Deciding DNA's top risks and appropriate actions based on input from management, DNA's risk manager and subject matter experts
- Reporting DNA's top risk landscape to the Group quarterly through the Quarterly Financial Review process.

The role of DNA's risk manager

The responsibilities of DNA's risk manager include raising awareness of risks, participating in discussions about risks and keeping the risk register up to date. DNA's risk manager is a member of the risk community headed by Telenor's Group Enterprise Risk Management and contributes to the further development of DNA's risk community.

Principles of internal control

Internal control is a process approved by DNA's Board of Directors to enhance risk management in DNA Group regarding risks that threaten the company's goals and business. A further objective is to identify, analyse, and monitor business-related risks. The Board of Directors has confirmed the principles of internal control, which are based on recognised international principles of good internal control.

The CEO and the Board of Directors are responsible for DNA's internal control and for ensuring that it is appropriate in relation to operational risks.

The company has a separate compliance programme related to competition law.

Internal audit

The Group's internal audit supports the CEO, the Board of Directors, and the operative management in their control-related duties. Internal audit has been established by Telenor's Board of Directors, and the functions and principles of the company's internal audit have been defined in the Internal Audit Charter confirmed by Telenor's Board of Directors. Internal audit's sphere of duties covers the DNA Group.

Internal audit is independent of the Group companies and their management. Governance of internal audit is the responsibility of the Senior Vice President, Corporate Affairs, who is a member of the Executive Team. Internal audit has direct and unlimited access to the senior management and Board of Directors of the company, and issues regular reports to the Board. Internal audit carries out its duties in accordance with an operational plan approved by the Board of Directors. When required, internal audit performs additional checks at its own initiative or that of the Board of Directors. Internal audit communicates with DNA's Board of Directors and external audit to ensure the efficient coordination of auditing activities.

Internal audit reports on the results of the audit to the management of the audited business area, the CEO, the Executive Team and the Board of Directors. Internal audit complies with the international standards for the professional practice of internal auditing and the ethical principles and practical instructions of the Institute of Internal Auditors (IIA) in its work.

Auditing of the Accounts

The company's financial period is the calendar year. Under the Articles of Association, the company has one auditor, who is nominated by the Annual General Meeting. The auditor must be an audit firm, and the principal auditor must be an Authorised Public Accountant. The auditor is elected at the General Meeting for a term of one financial period covering the year of election. The auditor's mandate expires at the end of the following Annual General Meeting. The auditor shall present the company's shareholders with an auditors' report as part of the financial statements as required by law. The auditor reports regularly to the Board of Directors.

Auditing of the Accounts in 2022

In 2022, DNA's auditor was Ernst & Young Oy, with Terhi Mäkinen, Authorised Public Accountant, acting as the principal auditor.

Board of Directors' Report and Financial statements 2022

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Board of Directors' Report 2022

DNA is a Finnish telecommunications group providing high-quality voice, data and TV services for communication, entertainment and work. Our mission is to provide products and services that make our private and corporate customers' lives uncomplicated. As a telecommunications operator, DNA plays a significant role in society by providing important communication connections and by enabling digital development.

On 3 February 2020, Norwegian telecommunications group Telenor gained title to all outstanding shares in DNA and the DNA shares was delisted from Nasdaq Helsinki. Due to delisting, DNA is not subject to reporting obligations as an issuer of shares as set out in the Finnish Securities Markets Act. However, DNA is still subject to reporting obligations as an issuer of the senior unsecured fixed rate notes that are due in 2025 (ISIN: FI4000312095) listed in Nasdaq Helsinki stock exchange.

Unless otherwise stated, the comparison figures in brackets refer to corresponding year, 2021.

Operating environment in 2022

At the end of 2022, the Finnish telecommunications market remained characterised by tough competition between established operators. Russia's war against Ukraine has caused global uncertainty, clouding the economic outlook in Finland as well. Inflation has picked up speed and is already biting into consumers' purchasing power, and the most common reference rates have risen sharply. The situation has increased uncertainty in the global economy and also weakened the economic outlook in Finland.

The need for strong data security and data protection gained even more importance in 2022. There was more public discussion on the subject as Finland applied to join NATO in the spring, which was expected to increase Russian influence operations. The number of cyber influence attempts has indeed increased in 2022.

The pace of 5G construction in Finland remained brisk in 2022. At the end of the year, already 80% of the population lived withing 5G service coverage. In addition to mobile services, fixed 5G is a good alternative for use as home broadband outside city centres. In densely populated urban areas, broadband connections will still be built largely with fixed fibre.

Regulation

The Government Proposal issued in the spring of 2022 on the implementation of the Copyright Directive was complemented in December; during the financial year, it was still being considered.

In June, the Ministry of Transport and Communications proposed an amendment to the must-carry obligation concerning radio programming, but the proposal was not submitted to Parliament during the autumn term. The Ministry of Transport and Communications has decided to further examine in spring 2023, together with other ministries, what the effects of the waiving of the must-carry obligation on radio programmes would be. The elimination of the must-carry obligation regarding radio programming from telecommunications companies would enable faster cable broadband connections thanks to more efficient network usage.

Several regulatory initiatives related to DNA's industry are pending in the EU. They concern issues such as artificial intelligence, data mobility, network and information security regulation as well as the offering and marketing of digital services.

Changes related to regulation and decisions of authorities may have significant impacts on DNA's business.

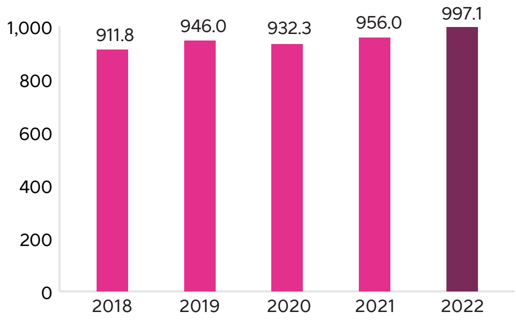
Total revenues and result

Consolidated key figures

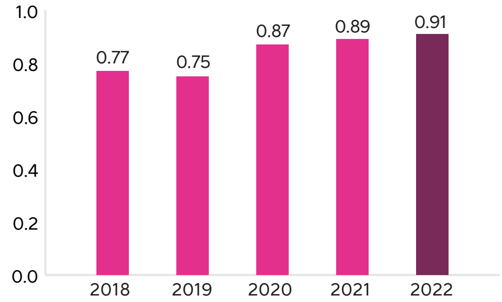
EUR million	1–12/2022	1–12/2021	Change, %
Net sales	997	956	4
EBITDA	364	359	2
% of net sales	37	38	
Operating result, EBIT	160	154	4
% of net sales	16	16	
Net result for the period	120	118	2

In January–December 2022, DNA's total revenues grew 4% and amounted to EUR 997 million (956). 76% (76) of total revenues was generated by consumer business and 24% (24) by corporate business. EBITDA increased and was EUR 364 million (359), or 37% of total revenues (38). Operating result increased 4% and was EUR 160 million (154). Operating result as a percentage of total revenues was 16% (16). Net result for the financial period increased 2% to EUR 120 million (118).

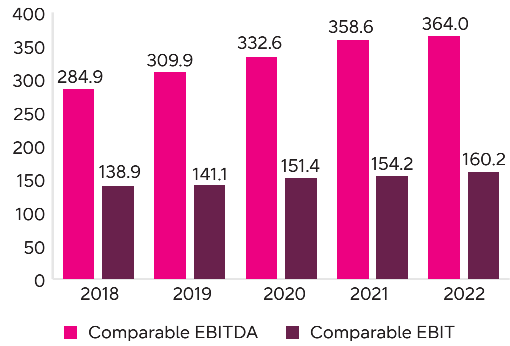
Net sales, million



Earnings per share, eur



Comparable EBITDA and comparable EBIT, EUR million

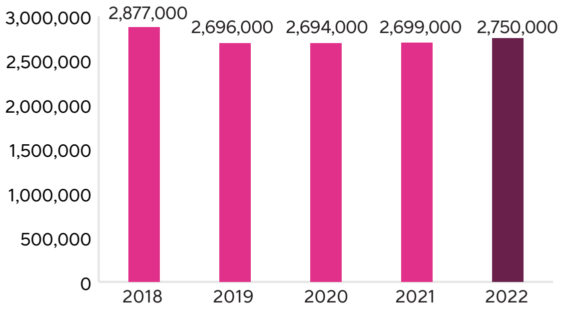


Key operative indicators

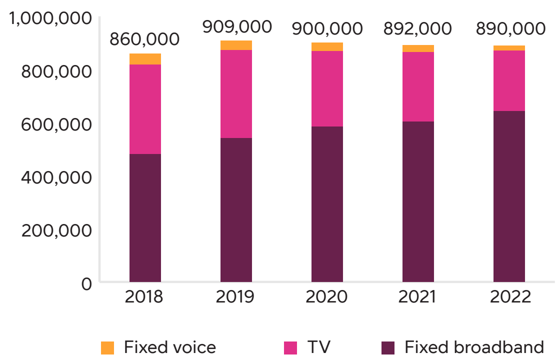
	1–12/2022	1–12/2021	Change, %
Number of mobile subscriptions[1] at the end of period	**2,750,000**	2,699,000	2
average revenue per user (ARPU), EUR	**17.4**	17.1	2
Number of fixed subscriptions[2] at the end of period	**890,000**	892,000	0

[1] Postpaid, prepaid, mobile home phone ("Luuri") and mobile broadband subscriptions.
[2] Fixed broadband, TV, and telephony subscriptions.

Mobile communication subscriptions, pcs.



Fixed network subscriptions, pcs.

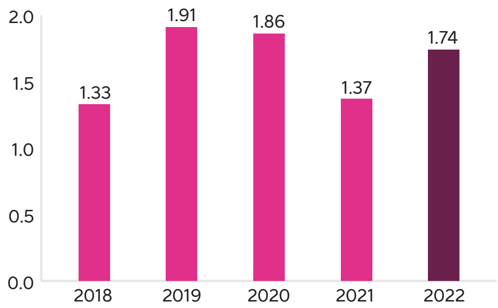


Cash flow and financial position

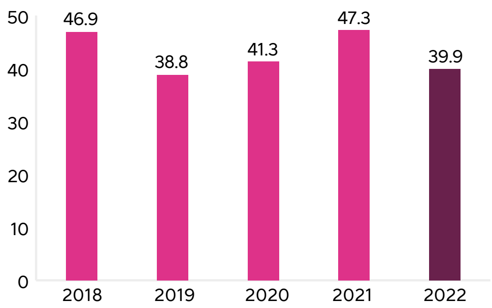
EUR million	1–12/2022	1–12/2021	Change, %
Cash flow after investing activities	**99**	174	–43

EUR million	1–12/2022	1–12/2021	Change, %
Net debt	**634**	492	29
Net debt/EBITDA	**1.7**	1.4	
Net gearing, %	**96**	64	
Equity ratio, %	**40**	47	

Net debt / EBITDA, %



Equity ratio, %



Cash flow after investing activities in 2022 was EUR 99 million (174). Cash flow was impacted by growth in committed working capital and a change in Group account receivables, for instance.

At the end of December, DNA had a EUR 295 million internal revolving credit facility, of which EUR 77 million (130) remained undrawn, and a 46 million Group overdraft (45).

Net gearing increased and was 96% (64) at the end of the year. Net gearing was impacted by the payment of dividends.

DNA's liquidity is at a healthy level. The Group's liquid assets amounted to EUR 8 million (11). Net debt was EUR 634 million (492). The Group's liquid assets and undrawn committed credit facilities amounted in total to EUR 131 million (186). In addition to liquid assets, DNA has cash pool receivables of EUR 85 million (28).

Changes in working capital had a EUR 24 million negative (EUR 2 million positive) impact on cash flow. Growth in working capital was attributable to greater inventories and higher trade receivables.

DNA has a strong balance sheet. The net debt/EBITDA ratio was 1.7 (1.4) at the end of the year. DNA's equity ratio at the end of the year was 40% (47).

Development per business segment

Consumer business

EUR million	1–12/2022	1–12/2021	Change, %
Total revenues	**762**	727	5
EBITDA	**284**	279	2
% of total revenues	**37**	38	
Operating result	**152**	147	3
% of total revenues	**20**	20	

In January–December 2022, consumer business total revenues increased and came to EUR 762 million (727). EBITDA increased and was EUR 284 million (279). The EBITDA percentage of total revenues was 37% (38). Operating result increased and was EUR 152 million (147), or 20% of total revenues (20).

DNA's growth as the fixed-network market leader has continued thanks to DNA's reliable high-quality network. Reliable and uncomplicated digital services and connections are a necessity as Internet use grows and becomes more versatile. Demand for 5G services also remained strong in 2022, thanks to the expansion of the 5G network and broader offering of 5G-capable devices. Sales of 5G subscriptions accelerated further towards the end of the year.

In 2022, DNA launched the first comprehensive data security service in Finland, "Digiturva". Due to the uncertain global situation, it is increasingly important to prepare for data security threats, and consumers want to block threats with uncomplicated solutions. The "DNA Digiturva" service combines all the major

information security features, protecting all devices, personal data, passwords, and Internet use. It is important for DNA to help every customer stay safe online. DNA also launched comprehensive coverage plan for new mobile devices in 2022.

Corporate business

EUR million	1–12/2022	1–12/2021	Change, %
Total revenues	**235**	228	3
EBITDA	**80**	79	1
% of total revenues	**34**	35	
Operating result	**9**	7	27
% of total revenues	**4**	3	

In January–December 2022, corporate business total revenues increased and came to EUR 235 million (228). EBITDA increased and was EUR 80 million (79). EBITDA percentage of total revenues was 34% (35). Operating result increased 27% and was EUR 9 million (7), or 4% of total revenues (3).

2022 was a year of growth in DNA's corporate business: both customer numbers and total revenues increased. The demand for additional services that boost business, and for corporate network solutions, or SD-WAN solutions in particular, continued to grow. DNA and Telenor continued to offer even more comprehensive solutions to Nordic corporate customers.

In June, DNA and the City of Turku announced that DNA had been selected as the primary supplier of communications services for the City. As part of this cooperation, DNA expanded 4G and 5G networks in Turku and its nearby municipalities and modernised the technical environment of the City's communications services. Modernisation facilitates the work of City employees, and the network expansions benefit all local network users.

Capital expenditure

Capital expenditure comprises additions to property, plant and equipment, and intangible assets, excluding business acquisitions and asset retirement obligations.

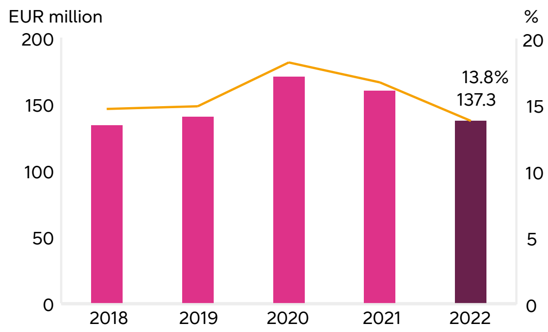
Capital expenditure includes capitalised spectrum licences.

EUR million	1–12/2022	1–12/2021	Change, %
Consumer business	107	126	–15
Corporate business	60	65	–7
Total capital expenditure	**167**	191	–12

EUR million	1–12/2022	1–12/2021	Change, %
Operative capital expenditure[1)]	**137**	160	–14
% of total revenues	**14**	17	
Lease investments (IFRS 16)	**30**	31	–4
Total capital expenditure	**167**	191	–12

1) Operative capital expenditure is reported capital expenditure excluding capitalised spectrum licences and lease investments (IFRS 16).

Operative Capex, EUR million and Operative Capex, % of net sales



Operative capital expenditure decreased 14% year-on-year and amounted to EUR 137 million (160), or 14% of total revenues (17).

Major individual items included in capital expenditure in the financial period were mobile network capacity expansion and development, fibre optic networks as well as transmission and IT systems.

Network infrastructure and new technologies

DNA continued its strong investment activities in network infrastructure in 2022. At the end of 2022, 5G services were already available in more than 200 cities and towns, with approximately 4.4 million people covered by the network. Around 80% of Finns live within 5G coverage. In addition to DNA's own construction work, also Finnish Shared Network Ltd, a company jointly owned by DNA and Telia, expanded its 5G network widely in Eastern and Northern Finland during 2022.

The construction of the 5G network will make it possible to keep providing high-quality connections to support the growing use of devices and digital services. Preparations for the introduction of 5G standalone architecture are making headway. Commercial services for this platform will be unveiled when the ecosystem has matured sufficiently.

As the 5G network is built, the entire mobile network is being updated. This is evident in even better data speeds not only in 5G services, but also in 4G services. DNA's mobile network also supports NB-IoT and LTE-M technologies, which makes it possible to provide advanced M2M services. In Omnitele Ltd's measurement of mobile network speeds[1], which was published in December, DNA's subscription achieved the highest average download speed in seven of the ten largest cities in Finland. In total, an average of 45 GB of data per subscription was transferred monthly in DNA's mobile network in 2022.

In 2022, DNA has introduced regional customer traffic access points used in virtual private networks in eight different cities around the country. The solution is software-based, which gives it competitive advantage. The networks operate over the existing 5G network and do not require significant investments in infrastructure. Private networks can also use fully customer-specific access points if needed, making it easy to scale the same software-based network solution to a smaller area.

DNA's copper-based network was dismantled extensively in western Finland in 2022. DNA announced back in 2021 that it will replace its remaining copper-based networks with modern solutions by 2025. The work will be carried out in stages in municipalities where DNA provides services that use the copper-based network. There are several dozen municipalities, and DNA will contact users of the copper-based network to help in the transition to a replacement service.

DNA's strong investment in fibre optic networks continued. In DNA's traditional network areas, the availability of fast broadband is the best in Finland and practically all customers in the fixed network can avail of gigabit broadband. The fibre optic network was also expanded to new cities, thanks to new agreements such as the one with Kojamo, the largest private residential real estate company in Finland. DNA's Home 5G solutions have also established themselves as a fast broadband technology for private customers.

At the end of 2022, the energy sector and authorities started to prepare for possible electricity shortages during the winter. One possible measure is limiting the supply of electricity by means of scheduled power outages. Communication networks require electricity to operate, so when they occur, disturbances in the distribution of electricity will also be reflected in them. DNA has secured electricity supply to its mobile networks in accordance with regulations and has also prepared for possible power outages by other means. Together with the rest of the ICT sector and its umbrella organisation, extensive stakeholder communication has been carried out about the possible effects of power outages on information networks.

[1] Omnitele's study on mobile download speeds, 11/2022. The study was carried out in ten largest cities in Finland. DNA's mobile subscription achieved the highest average download speed in seven of the ten cities. The data transfer speeds varied between areas. The results are presented as averages for each area as well as an overall average for all measurements. The data transfer speeds and ranking of the operators varied between locations within each area. The study and additional information (in Finnish): https://corporate.dna.fi/lehdistotiedotteet?type=stt2&id=69960504

Personnel

	31 Dec 2022	31 Dec 2021	Change, %
Consumer business	**949**	898	6
Corporate business	**746**	706	6
Total personnel	**1,695**	1,604	6

At the end of 2022, DNA Group had 1,695 employees (1,604), of whom 659 were women (621) and 1,036 men (983). Salaries and employee benefit expenses paid during the year amounted to EUR 116 million (117). The number of employees grew largely due to the in-housing of previously outsourced tasks.

Offering the opportunity to work anywhere, anytime has been one of DNA's success stories for more than a decade. The freedom to choose the best place and time for work has developed significantly during that time and the flexible approach is now a mainstay of DNA’s corporate culture. Alongside these, the importance of a humane approach to employees’ ability to work has become an important focus area. Working on these topics was one of the most important concerns in personnel communication in 2022. These themes have also been widely covered in multiple campaigns in various media platforms.

As a one concrete action, DNA published its employer promise in June, promising to help every DNA employee to live a humane and one-of-a-kind life. In practice, the employer promise is divided into five themes: straightforwardness, one-of-a-kindness, continuous development, family-friendliness, and getting things done – in a meaningful way. We work continuously to make life at DNA more humane.

In September, DNA took another step forward in terms of freedom, responsibility, and trust by launching a fully location-independent recruitment and working model in our technology and IT departments. In practice, this means that new employees can choose to work in any of our many locations around Finland. We also introduced other improvements to our personnel policies, such as extending the possibility of remote working from abroad to four weeks a year. These changes support DNA’s employer promise and also our response to the global IT and technology skills shortage.

DNA understands that the most satisfied customers and the best results come from the employees. We want to hold on to what is most important, that is, our employees and customers. That is why the employees deserve a workplace where they are respected and their wishes are heard. DNA and its personnel have a significant role in Finland’s digital development.

For years, DNA has also understood that only a tolerant, non-discriminatory and inclusive work culture can best promote customer needs and guarantee an excellent workplace. Being one-of-a-kind is a theme that DNA will foster and bolster even more going forward. In June, DNA was an official partner of Helsinki Pride for the fourth year running.

Management and governance and significant litigation matters

Significant litigation matters

In its ordinary course of business, DNA is involved in trials and official proceedings. These processes concern matters such as telecommunications regulation, partner agreements and competition law.

In its decision in February 2022, the Finnish Transport and Communications Agency ruled that DNA Plc violates section 109 (5) of the Electronic Communications Services Act and order 46 K/2021 M 13 of the Finnish Transport and Communications Agency's regulation on telephone number portability by requiring their consumer customers to separately allow the contract information inspection service for telephone subscriptions. DNA appealed the decision to the Administrative Court, which rejected the appeal on 5 July 2022. DNA appealed to the Supreme Administrative Court. On 30 September 2022, the Supreme Administrative Court issued a decision refusing to grant DNA leave to appeal. On 5 October 2022, DNA sought annulment from the Supreme Administrative Court. On 25 November 2022, the Supreme Administrative Court rejected DNA's request for annulment and ordered that DNA must implement its service for checking contract details in compliance with the law by 9 December 2022. DNA changed its service to comply with the requirements of the law by the deadline.

Management and governance

DNA Plc has a line organisation comprising of Consumer Business, Corporate Business, Technology, and Information Management and IT units, as well as support functions.

At the end of the year, DNA's Executive Team comprised CEO **Jussi Tolvanen**, acting CFO **Timo Kipinoinen**, SVP, Consumer Business and at the same time acting SVP, Corporate Business **Pekka Väisänen**, CTO Ville Virtanen, SVP, Human Resources **Marko Rissanen**, SVP, Corporate Affairs **Asta Rantanen**, acting CIO **Taneli Ropponen**, CSO **Bjørn Taale Sandberg** and SVP, Communications, Sustainability and Brand Development **Vilhelmiina Wahlbeck**.

Changes in DNA's Executive Team in 2022

On 3 March 2022, DNA announced that **Bjørn Taale Sandberg** had been appointed as Chief Strategy Officer (CSO) and a member of the Executive Team. He started in his new position on 1 April 2022.

On 15 September 2022, DNA announced that **Olli Sirkka**, Senior Vice President, Corporate Business, DNA, and member of the Executive Team, was leaving the company on 16 September 2022. On 28 November 2022, DNA announced that **Anna-Mari Ylihurula**, M.Sc. (Technology), eMBA, has been appointed DNA's Senior Vice President, Corporate Business, and a member of the Executive Team. She will start in her new position by August 2023.

On 29 September 2022, DNA announced that DNA's CIO and a member of the Executive Team **Janne Aalto** had moved to DNA's parent company Telenor's Nordic organisation as CIO in September and was therefore leaving his position at DNA. The search for a new CIO began immediately. **Taneli Ropponen**, who has worked as the head of DNA's ERP, Integrations and IT Production, is serving as the acting CIO and a member of the Executive Team.

On 25 October 2022, DNA announced that DNA's CFO and a member of the DNA's Executive Team **Maria Strömberg** had decided to leave her current position. **Timo Kipinoinen**, who worked as Senior Business Controller, Consumer Business, has been DNA's acting CFO and a member of the Executive Team since 26 October 2022.

Decisions of DNA Plc's shareholder on matters belonging to the AGM

DNA's sole shareholder, Telenor Finland Holding Oy, decided to make decisions belonging to the Annual General Meeting without holding the Annual or Extraordinary General Meetings. The decisions were made legally, in accordance with the Companies Act Chapter 5 Section 1. DNA announced the decisions by means of stock exchange releases on 24 March 2022, 13 September 2022 and 30 December 2022.

- On 24 March 2022, it was decided to approve the consolidated financial statements and the parent company's financial statements for the financial period 1 January to 31 December 2021. It was noted that the Board of Directors had proposed to the Annual General Meeting that the company distribute a dividend of EUR 1.52 per share for the financial year 2021. Based on the number of shares on 31 December 2021, a total dividend of EUR 200,916,919.68 was distributed. It was also decided that the remaining portion of the distributable funds be retained in equity. It was resolved to discharge the Board of Directors and the CEO from liability regarding the financial year from 1 January to 31 December 2021. It was decided that as of 24 March

2022, the number of the Members of the Board of Directors will be five. **Jukka Leinonen** was elected as the Chair of the Board of Directors and the following as Members of the Board of Directors: **Birgitte Engebretsen**, **Gaute Simen Gravir**, **Håvard Naustdal** and **Trine Rønningen**. Authorised Public Accountants Ernst & Young was chosen as the company's auditor. APA **Terhi Mäkinen** continued as the principal auditor.

- On 13 September 2022, **Petter-Børre Furberg** was chosen as the new Member and the Chair of the Board of Directors, while **Jukka Leinonen** left the board. There were no other changes in the board.
- On 30 December 2022, it was decided that as of 1 January 2023, the number of members of the Board of Directors will be three. **Petter-Børre Furberg** continued as the Chair of the Board of Directors and **Thomas Thyholdt** and **Cecilie Heuch** were named as two other members.

Board of Directors in 2022

1 January – 24 March 2022: **Jukka Leinonen** (Chair), **Birgitte Engebretsen**, **Gaute Simen Gravir**, **Nils Katla**, **Håvard Naustdal** and **Trine Rønningen**.

24 March 2022 – 13 September 2022: **Jukka Leinonen** (Chair), **Birgitte Engebretsen**, **Gaute Simen Gravir**, **Håvard Naustdal** and **Trine Rønningen**.

13 September – 31 December 2022: **Petter-Børre Furberg** (Chair), **Birgitte Engebretsen**, **Gaute Simen Gravir**, **Håvard Naustdal** and **Trine Rønningen**.

The Board convened 9 times in 2022.

Board committees

In 2022, DNA's Board of Directors did not have any committees elected.

Shares and shareholders

Shares

DNA's shares were delisted from Nasdaq Helsinki on 3 February 2020.

On 31 December 2022, DNA's shares totalled 132,303,500 (132,303,500) and the share capital registered in the Finnish Trade Register amounted to EUR 72,702,225.65 (EUR 72,702,225.65). At the end of December, DNA held 121,316 treasury shares.

Members of DNA's Executive team or Board of Directors did not have any holdings of DNA shares on 31 December 2022.

Sustainability

DNA's approach to sustainability is guided by the sustainability program and its five main areas: digital inclusion, being a great place to work, climate-friendly operations, reliable data security and privacy, and good governance. DNA's corporate responsibility objectives are specified in the strategy. DNA has assessed corporate responsibility risks as part of the Group's overall risk management process.

DNA's sustainability objectives and measures are described in a separate sustainability report according to the Global Reporting Initiative (GRI) reporting model. The report is published annually with DNA's Annual Report.

EU Taxonomy and DNA: Climate mitigation and action

DNA is closely following the development of the EU Taxonomy Regulation 2020/852. Currently, most telecom operations are not covered by the taxonomies. However, the Taxonomy Climate Delegated Act is still an evolving regulation that is constantly adding new functionality to its scope.

We have made our first assessment of the extent to which our activities are Taxonomy-aligned. Based on our analysis, we have not identified Taxonomy-aligned activities. However, we have identified Taxonomy-eligible activities also this year.

DNA came to its result by first going through the list provided by the EU Taxonomy Compass, and marking potential areas for its business. After this the potential areas were confirmed together with internal accounting.

EU Taxonomy economic activity	Company products/technologies/services
Climate mitigation 8.2 Data-driven solutions for GHG emissions reductions	Wattinen reduces the heating energy consumption of apartment buildings. Homes always have a suitable temperature during the heating season, energy is saved and residents only have to give up old thermostats. In addition, the investment in heating control with Wattinen made by the housing association is compensation neutral. Wattinen also helps in balancing the heating and planning the housing association's geothermal project.
Climate mitigation 8.2 Data-driven solutions for GHG emissions reductions	Power Star for Radio Networks: RAN equipment that is part of equipment related energy consumption reduction. Utilizing software features to reduce energy consumption.

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')										
Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover, year 2022 (18)	Taxonomy-aligned proportion of turnover, year 2021 (19)	Category (enabling activity or) (20)	Category '(transi-tional activity)' (21)
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			%																	
A.1. Environmentally sustainable activities (Taxonomy aligned)																				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		N/A	N/A														N/A	N/A		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Data-driven solutions for GHG emissions reductions	8.2	0.4	0.0%																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.4	0.0%														N/A	N/A		
Total (A.1 + A.2)		0.4	0.0%																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		996.7	100.0%																	
Total (A + B)		997.1	100.0%																	

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')										
Economic activities (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of CapEx, year 2022 (18)	Taxonomy-aligned proportion of CapEx, year 2021 (19)	Category (enabling activity or) (20)	Category '(transitional activity)' (21)
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			%																	
A.1. Environmentally sustainable activities (Taxonomy aligned)																				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		N/A	N/A														N/A	N/A		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Data-driven solutions for GHG emissions reductions	8.2	0.4	0.0%																	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.4	0.0%														N/A	N/A		
Total (A.1 + A.2)		0.4	0.0%																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		166.9	99.7%																	
Total (A + B)[1]		167.4	100.0%																	

[1] Total capex includes investments in tangible and intangible assets according to the financial statements 2022. Eligible capex includes investments related to processes that are associated with taxonomy-eligible economic activities.

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')										
Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of OpEx, year 2022 (18)	Taxonomy-aligned proportion of OpEx, year 2021 (19)	Category (enabling activity or) (20)	Category '(transi-tional activity)' (21)
		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Percent	Percent	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			%																	
A.1. Environmentally sustainable activities (Taxonomy aligned)																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		N/A	N/A														N/A	N/A		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Data-driven solutions for GHG emissions reductions	8.2	1.0	0.3%																	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1.0	0.3%														N/A	N/A		
Total (A.1 + A.2)		1.0	0.3%																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Opex of Taxonomy-non-eligible activities (B)		288.7	99.7%																	
Total (A + B)[2)]		289.7	100.0%																	

2) Total opex includes maintenance and rental expenses as well as other expenses that describe the expenses necessary to ensure the continued and effective functioning of property, plant and equipment, as reported in other operating expenses of the financial statements 2022. Eligible opex includes expenses related to processes that are associated with taxonomy-eligible economic activities.

Report on non-financial information

Business model description

DNA plays a significant role in society by providing important communication connections and maintaining infrastructure that is critical to the operation of society.

According to its strategy, DNA will meet the growing demand for faster high-quality connections. The company invests in a very competitive and cost-effective network and service platform infrastructure to meet the growing communications needs of consumers, businesses and the society in general. By doing so, DNA promotes digitalisation and competitiveness in Finland. Our purpose is, that we are connecting you to what matters most.

In terms of corporate responsibility, the main areas include the provision of comprehensive high-quality connections to customers, satisfied and productive personnel, mitigation of the environmental impact of DNA's business and greenhouse gas emissions in particular, and responsible business practices and good governance.

Social responsibility and employee-related factors

One of DNA's strategic objectives is being a great place to work. Satisfied, motivated, and qualified employees are a crucial foundation for DNA's ability to provide the best customer experience on the market.

DNA places special emphasis on personnel development with the aim of having every task performed by a dedicated and qualified person. Any risks related to the availability of competent personnel are reviewed as part of the Group's risk management process.

DNA is aware of the fact that personnel satisfaction drives the positive development of customer satisfaction. Several measures were implemented in both Consumer and Corporate Customer Service to promote personnel satisfaction and well-being.

Respect for human rights

DNA operates in Finland, where the risk of human rights violations is relatively low. However, human rights issues are substantial in all its operations, and they are especially relevant in the supply chain. In the case of mobile devices for example, some suppliers operate in countries that involve human rights risks. Corporate responsibility risks of DNA's most significant suppliers are assessed, and their responsibility performance is evaluated annually. In 2022, DNA trained its procurement and security teams on human rights issues.

DNA's Supplier Code of Conduct is added to all new supplier agreements and also applies to the suppliers' subcontractors. According to the Supplier Code of Conduct, the suppliers undertake to comply with the internationally recognised human rights as set out in the United Nations Universal Declaration of Human Rights, the basic international labour rights as set out in the basic conventions of the International Labour Organization (ILO), and all laws and official regulations in all countries where they operate.

There were no human rights violations related to DNA's own activities in 2022.

Any risks related to the supply chain and human rights violations are reviewed as part of the Group's risk management process.

Environmental responsibility

The most significant environmental impact of DNA's business is related to greenhouse gas emissions. In 2020, DNA moved to implement Telenor's joint target with the other Nordic countries to achieve carbon neutrality by 2030 for Scope 1 and 2 emissions, and to achieve 68% of Telenor's largest suppliers being SBTi compliant.

The source of DNA's direct greenhouse gas emissions (Scope 1) are fuels used in company vehicles and back-up generators. Energy indirect greenhouse gas emissions (Scope 2) mostly originate in production, i.e. the electricity consumption of DNA's radio network and transmission equipment as well as the maintenance of their equipment facilities. Sources of other indirect greenhouse gas emissions (Scope 3) include, for example, logistics, business travel, waste as well as purchased goods, services and capital goods.

Increased mobile data volumes challenge the energy efficiency of the radio network, because the continuously growing volumes require more equipment, which in turn increases energy consumption. On the other hand, the relative per-data energy consumption is reduced through improved technical performance of LTE. The implementation of 5G technology will improve relative efficiency further even if total energy consumption increases.

In 2022, DNA's indirect emissions from energy consumption (Scope 2, market-based) were 7,502 tonnes (9,625), a 28% reduction compared to 2021. DNA's emissions decreased thanks to energy-efficient solutions replacing old technology. In addition, DNA has invested in the use of renewable energy and in improving the energy efficiency of its radio network. In 2023, DNA will continue to review its network leases. Uncleared leased sites will not count as green electricity.

In 2022, DNA certified its environmental management system to the ISO 14001 standard. As part of the Group's risk management process, DNA has identified possible physical risks related to climate change, such as the impact of weather extremes on networks. Furthermore, DNA has identified possible political and regulatory risks related to the transition to a low-carbon society as well as any risks and opportunities related to consumer behaviour. Mitigation practices have been specified for the identified risks.

Anti-corruption and anti-bribery

DNA has zero-tolerance of corruption and bribery: Telenor's Code of Conduct bans any corruption. Every DNA employee is required to attend Telenor´s Code of Conduct training. By the end of 2022, 100% of DNA personnel had completed the training. In addition, DNA's Sustainability Manager and Fraud Manager train DNA personnel on DNA Group's anti-corruption policies and procedures as required.

DNA has separate guidelines for the giving and receiving of business gifts. DNA enforces a Supplier Code of Conduct which is appended to its agreements with suppliers and subcontractors. Its requirements include combating corruption and bribery. Any corruption risk is assessed as part of the Group's risk management process. There were no incidents of corruption or bribery at DNA in 2022.

Near-term risks and uncertainties

Strategic and operative risks

The Finnish telecommunications market is characterised by tough competition between established operators, and a high degree of penetration of telecommunications solutions.

Russia's war in Ukraine, which Russia started in February 2022, has caused global uncertainty, clouding the economic outlook in Finland as well. In particular, this has been reflected in the rapid rise of energy prices. Inflation has picked up speed and is biting into consumers' purchasing power, and the most common reference rates have risen sharply. Interest rates are expected to rise even further. The situation increases uncertainty in the global economy and weakens the outlook for the economy in Finland as well. All of these factors can impact on DNA's financial outlook, consumer purchasing behaviour and the availability and supply chains of the components required in network construction.

Cybersecurity threats have increased continuously over the last few years with digitalisation and more widespread use of digital networks and services. The threat level increased significantly after Finland submitted its NATO application, which has contributed to an increase in cyber influence attempts. However, this did not come as a surprise since an increase in such attempts was to be expected as a result of Finland's NATO application, in particular from Russia. The role of information security, data protection, and high operational network reliability are expected to gain in importance in the future.

Although the coronavirus pandemic has become less significant in Finland in 2022 and restrictions have been lifted, the potential acceleration of the pandemic or new virus variants could still have negative direct or indirect impacts on, for instance, the health of the employees of DNA or its subcontractors, and thereby on DNA's service delivery reliability. The potential acceleration of the pandemic outside Finland's borders might also pose challenges with respect to the availability of components used in telecommunications network construction and maintenance and the reliability of their supply chains.

The nature of DNA's operations and customer requirements place high demands on DNA's information systems and network infrastructure. DNA's business is capital-intensive, and continuous maintenance and improvement of telecommunications systems and network infrastructure is essentially linked to its success.

International players have a strong presence in the competitive environment of TV and entertainment services. DNA's competitors include traditional operators as well as OTT (over-the-top) service providers that deliver content over the Internet to mobile devices. The role of media companies' own distribution channels and services is also becoming more important.

DNA makes significant investments in high-quality data systems and data analytics tools to deepen customer understanding and to create a good omnichannel customer experience. DNA's business operations are dependent on information systems, which involve several interconnected risks but also provide business-critical opportunities for utilising data.

Regulatory risks

Both national and EU regulations have a significant impact on the operation of the telecommunications market in Finland. Regulatory influence on areas such as the price level of DNA's products and services, wholesale products that DNA procures from other operators, critical network components and the criteria used for distributing frequencies may have a significant impact on DNA's business. Changes in security policy may necessitate new regulation or stricter interpretations by regulatory authorities.

Financing risks

In order to manage the interest rate risk, the Group's borrowings have been spread between fixed- and variable-rate instruments. In order to manage liquidity risk, in addition to liquid assets the Group uses credit limits. To manage customer credit risk, the credit history of new customers is checked as part of the ordering process. The Group's foreign interest risk is insignificant, since the majority of its cash flow is euro denominated.

Damage risk

In anticipation of possible unforeseen damage risks, DNA has continuous insurance policies covering aspects of its operations, including personnel, property, business interruption, third-party liability, and criminal action. There is specific insurance in place for cyber damage risks. Damage risks are prevented and minimised by means such as security guidelines and personnel training.

Market outlook for 2023

The war against Ukraine that Russia started in February 2022 caused global uncertainty, clouding the economic outlook in Finland as well. Inflation has picked up speed in all of Europe and is biting into consumers' purchasing power also in Finland, and the sharp rise of the most common reference rates continued towards the end of the year. According to the economic forecast published by the Bank of Finland in December, while economic growth still picked up in the early part of 2022, Finnish economy will slide into a mild recession in 2023 as a result of the energy crisis exacerbated by Russia's war in Ukraine and the surge in the cost of living.

We expect the competitive situation to remain tight. The use of mobile data continues to grow, as it has been doing for years, as people and businesses continue to make increasing use of digital and online video services. As a result, the demand for faster subscriptions is growing and data usage per subscription is increasing. The share of 5G subscriptions in DNA's mobile subscription base is expected to grow. There were already hundreds of thousands of DNA's 5G subscriptions sold by the end of 2022.

In the mobile communication network, the volume of SMS and voice traffic is expected to continue to fall. The market for fixed voice services will continue to decline as expected, while DNA will dismantle its remaining copper network by 2025.

In the consumer market, demand for high-speed broadband subscriptions and diversified entertainment services is expected to continue to grow, in particular with the popularity of streaming and video-on-demand services. Demand for traditional pay-TV is expected to continue to decline.

We expect businesses to continue to migrate their applications to the cloud to improve operational efficiency, driving demand for secure high-speed connections. The long-standing digitisation of services in the private and public sectors will continue to create new digital business, with a particular focus on security, network resilience and service availability. Cybersecurity threats have increased with the digitalisation of society. A significant increase in the threat level occurred after Finland's application for NATO membership in spring 2023. The importance of information security, data protection and network resilience is expected to become even more important in the future.

DNA's guidance for 2023

DNA will not issue guidance on its net sales and EBITDA for 2023. DNA expects competition to remain intense in 2023, but that DNA's business develops favourably. DNA's financial position and liquidity are estimated to remain good.

Global economic uncertainty, rising energy prices, high inflation and increases in prevailing interest rates may also have an impact on DNA's economic outlook, consumer purchasing behaviour and the availability and supply chains of components needed for network construction.

Board of Directors' proposal on dividend payment

DNA Plc's distributable funds in the financial statements amount to EUR 131,747,985.34 of which profit for the financial year came to EUR 36,696,150.73.

The Board of Directors decided to propose to the Annual General Meeting that a dividend of EUR 0.76 per share will be distributed for the financial period ending 31 December 2022. Based on the number of shares on 31 December 2022, the total dividend to be paid comes to EUR 100,458,459.84. The Board proposes that the remaining profit be retained and carried further in the Group's non-restricted equity.

There have been no material changes in the financial position of the company since the end of the financial year. The company's liquidity is good, and in the opinion of the Board of Directors, the proposed profit distribution will not jeopardise the company's solvency.

DNA Plc

Board of Directors

Group key financial figures

EUR million	2022	2021	2020[1)]	2019[1)]	2018
Net sales	997.1	956.0	932.3	946.0	911.8
EBITDA	364.0	358.6	332.6	305.6	284.9
% of net sales	36.5	37.5	35.7	32.3	31.2
Comparable EBITDA	364.0	358.6	332.6	309.9	284.9
% of net sales	36.5	37.5	35.7	32.8	31.2
Depreciation, amortisation and impairment	203.8	204.4	181.2	171.9	146.0
Operating result, EBIT	160.2	154.2	151.4	133.7	138.9
% of net sales	16.1	16.1	16.2	14.1	15.2
Comparable operating result, EBIT	160.2	154.2	151.4	141.1	138.9
% of net sales	16.1	16.1	16.2	14.9	15.2
Net result before tax	151.0	147.3	143.4	124.6	127.7
Net result for the period	120.3	117.7	114.8	98.8	102.2
Return on investment (ROI), %	12.5	12.1	12.5	12.1	14.1
Return on equity (ROE), %	16.8	16.5	19.0	17.1	16.4
Capital expenditure	167.4	191.3	307.9	158.7	138.3
Cash flow after investing activities	98.5	173.7	105.3	35.6	63.4
Net debt	634.0	491.7	619.5	584.1	379.3
Net debt/EBITDA	1.74	1.37	1.86	1.91	1.33
Net gearing, %	95.6	63.9	94.3	106.0	62.7
Equity ratio, %	39.9	47.3	41.3	38.8	46.9
Personnel at the end of period	1,695	1,604	1,609	1,624	1,590

[1)] In financial statements 2020, the calculation method of the key figures regarding 2020 and 2019 differed from that of DNA's previous key figures and were presented the same way as the figures published by Telenor Group. In 2021, changes in accounting methods were made. The main changes concerned the reclassification of spectrum acquisitions from intangible assets to right-of-use assets and the corresponding reclassification of spectrum licence liabilities from non-interest-bearing to interest-bearing borrowings, which had an impact on the presentation of net debt and cash flows. In addition, some receivables were reclassified from non-current to current items, and certain items reclassified from current to non-current receivables. Figures for 2020 and 2019 were adjusted accordingly.
There were no changes in 2022.

Reconciliation of comparable key figures

EUR thousands	2022	2021	2020[1)]	2019[1)]	2018
EBITDA	**364,015**	**358,591**	**332,613**	**305,575**	**284,921**
Fair value opinion	-	-	-	1,683	-
Share based programmes	-	-	-	1,572	-
Share based programme Bridge	-	-	-	878	-
Matching shares plan for personnel	-	-	-	157	-
Comparable EBITDA	**364,015**	**358,591**	**332,613**	**309,865**	**284,921**
Operating result	**160,206**	**154,163**	**151,418**	**133,692**	**138,898**
Write-off of other non-current assets	-	-	-	-	-
Fair value opinion	-	-	-	1,683	-
Share based programmes	-	-	-	1,572	-
Share based programme Bridge	-	-	-	878	-
Matching shares plan for personnel	-	-	-	157	-
Write-off of terrestrial network	-	-	-	3,109	-
Comparable operating result	**160,206**	**154,163**	**151,418**	**141,091**	**138,898**

[1)] In financial statements 2020, the calculation method of the key figures regarding 2020 and 2019 differed from that of DNA's previous key figures and were presented the same way as the figures published by Telenor Group. In 2021, changes in accounting methods were made. The main changes concerned the reclassification of spectrum acquisitions from intangible assets to right-of-use assets and the corresponding reclassification of spectrum licence liabilities from non-interest-bearing to interest-bearing borrowings, which had an impact on the presentation of net debt and cash flows. In addition, some receivables were reclassified from non-current to current items, and certain items reclassified from current to non-current receivables. Figures for 2020 and 2019 were adjusted accordingly.
There were no changes in 2022.

Cash flow and financial key figures

	2022	2021	2020[1]	2019[1]	2018
Cash flow after investing activities[1], EUR million	**98.5**	173.7	105.3	35.6	63.4
Net debt[1], EUR million	**634.0**	491.7	619.5	584.1	379.3
Net debt/EBITDA[1]	**1.74**	1.37	1.86	1.91	1.33
Net gearing[1], %	**95.6**	63.9	94.3	106.0	62.7
Equity ratio, %	**39.9**	47.3	41.3	38.8	46.9

[1] In financial statements 2021, the figures for the comparison periods 2020 and 2019 differed from those previously reported due to classifica-tion changes introduced in 2021, with particular impact on the comparison of changes in working capital.
There were no changes in 2022.

Key operative indicators

	2022	2021	2020	2019	2018
Number of mobile subscriptions at end of period[1]	2,750,000	2,699,000	2,694,000	2,696,000	2,877,000
Average revenue per user (ARPU), EUR[2]	17.4	17.1	16.8	16.3	18.7
Number of fixed subscriptions at end of period[3]	890,000	892,000	900,000	909,000	860,000

[1] Mobile communication network subscriptions include postpaid, prepaid, mobile home phone (“Luuri”) and mobile broadband subscriptions. Year 2018: includes voice and mobile broadband subscriptions.
[2] ARPU = Monthly mobile revenues (company’s subscriptions) and traffic revenues + interconnection / average number of subscriptions. Year 2018: Includes only postpaid phone subscriptions.
[3] The figure for the number of fixed-network subscriptions includes voice, broadband and cable pay-TV subscriptions.

Per-share key figures

	2022	2021	2020	2019	2018
Earnings per share, basic and diluted, EUR	**0.91**	0.89	0.87	0.75	0.77
Equity per share, EUR	**5.02**	5.82	4.97	4.17	4.58

Calculation of key figures

Earnings per share (EPS), EUR	=	Net result for the period / Weighted number of shares during the financial period excl treasury shares
Equity per share, EUR	=	Equity attributable to the owners of the parent company / Number of outstanding shares at end of period
Net debt, EUR	=	Non-current and current borrowings – cash and cash equivalents
Net gearing, %	=	Non-current and current borrowings – cash and cash equivalents / Total equity
Equity ratio, %	=	Total equity / Total assets – advances received
EBITDA, EUR	=	Operating result (EBIT) + depreciation, amortisation and impairments
Return on investment (ROI), %[1)]	=	Net result before income taxes + finance expense / Total equity + borrowings (average for the period)
Return on equity (ROE), %[1)]	=	Net result for the period / Total equity (average for the period)
Net debt/EBITDA[1)]	=	Net debt / Operating result + depreciation, amortisation and impairments
Cashflow after investing activities, EUR	=	Net cash generated from operating activities + net cash used in investing activities
Capital expenditure, EUR	=	Additions to property, plant and equipment and intangible assets excluding business acquisitions, gross acquisition cost of spectrum license and asset retirement obligations

[1)] 12-month adjusted

Operative capital expenditure, EUR	=	Operative capital expenditure is reported capital expenditure without capitalized spectrum licenses and lease investments (IFRS 16)
Comparable EBITDA, EUR	=	EBITDA excluding items affecting comparability
Comparable operating result, EUR	=	Operating result excluding items affecting comparability
Items affecting comparability	=	Material items outside ordinary course of business such as net gain or losses from business disposals, direct transaction costs related to business acquisitions, write-off of non-current assets, costs for closure of business operations and restructurings, costs relating to the change of ownership structure and terminating share-based payments as well as fines, damages and other similar payments.

DNA presents alternative performance measures as additional information to financial measures presented in the consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows prepared in accordance with IFRS. In DNA's view, alternative performance measures provide significant additional information on DNA's results of operations, financial position and cash flows and are widely used by analysts, investors and other parties.

DNA presents comparable EBITDA and comparable operating result, which have been adjusted with material items outside of ordinary course of business to improve comparability between periods. There were no items affecting comparability in the financial period or in the comparison period 2021. EBITDA, comparable EBITDA and comparable operating result are presented as complementing measures to the measures included in the consolidated income statement because, in DNA's view, they increase understanding of DNA's results of operations. Net debt, ratio of net debt to EBITDA, net gearing, equity ratio, return on equity and return on investment are presented as complementing measures because, in DNA's view, they are useful measures of DNA's ability to obtain financing and service its debts. Capital expenditure, operative capital expenditure and cash flow after investing activities provide also additional information of the cash flow needs of DNA's operations.

Alternative performance measures should not be viewed in isolation or as a substitute to the IFRS financial measures. All companies do not calculate alternative performance measures in a uniform way, and therefore DNA's alternative performance measures may not be comparable with similarly named measures presented by other companies.

Financial Statements 2022

Consolidated income statement

EUR thousands	Note	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
Total revenues	5, 6	**997,059**	**955,961**
Materials and services		–396,707	–379,389
Employee benefit expenses	9	–115,732	–116,590
Depreciation, amortisation and impairments	8	–203,810	–204,429
Other operating expenses	7	–120,606	–101,390
Operating result		**160,206**	**154,163**
Finance income	10	748	304
Finance expense	11	–9,976	–7,191
Share of associates' results	16	14	16
Net result before income tax		**150,991**	**147,291**
Income tax expense	12	–30,672	–29,554
Net result for the period		**120,319**	**117,737**
Attributable to:			
Owners of the parent company		120,319	117,737
Earnings per share for net result attributable to the owners of the parent company:			
Earnings per share, basic and diluted, EUR	13	0.91	0.89

Notes are an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income

EUR thousands	Note	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
Net result for the period		**120 319**	**117 737**
Items that will not be reclassified to profit or loss:			
Remeasurements of post-employment benefit obligations	24	426	–310
Other comprehensive income, net of tax		**426**	**–310**
Total comprehensive income		**120,744**	**117,427**
Attributable to:			
Owners of the parent company		120,744	117,427

Notes are an integral part of the consolidated financial statements.

Consolidated statement of financial position

EUR thousands	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
Goodwill	15	338,706	338,706
Other intangible assets	15	122,492	127,653
Property, plant and equipment	14	453,371	469,730
Right-of-use assets	30	214,961	232,554
Investments in associates	16	1,249	1,240
Other investments	17	111	111
Other receivables	18	86,584	76,482
Deferred tax assets	19	7,113	7,000
Total non-current assets		**1,224,587**	**1,253,475**
Current assets			
Inventories	20	45,256	38,217
Trade and other receivables	18	374,472	311,671
Contract assets	5	845	1,305
Income tax receivables	18	9,939	10,280
Accrued expenses	18	21,845	23,840
Cash and cash equivalents	21	8,432	10,817
Total current assets		**460,790**	**396,131**
Total assets		**1,685,377**	**1,649,606**
EQUITY			
Equity attributable to the owners of the parent company			
Share capital	22	72,702	72,702
Reserve for invested unrestricted equity	22	506,079	506,079
Treasury shares	22	–1,728	–1,728
Retained earnings		–34,300	74,620
Net result for the period		120,319	117,737
Total equity		**663,072**	**769,410**

EUR thousands	Note	31 Dec 2022	31 Dec 2021
LIABILITIES			
Non-current liabilities			
Borrowings	26, 27, 29	470,431	313,890
Lease liabilities	30	124,964	144,706
Employment benefit obligations	24	982	1,513
Provisions	25	11,317	14,070
Deferred tax liabilities	19	59,818	52,667
Other non-current liabilities		11,817	12,009
Total non-current liabilities		**679,329**	**538,854**
Current liabilities			
Lease liabilities	30	47,005	43,889
Contract liabilities	5	3,369	2,886
Provisions	25	438	326
Trade and other payables	28	292,164	284,395
Income tax liabilities		0	9,846
Total current liabilities		**342,976**	**341,342**
Total equity and liabilities		**1,685,377**	**1,649,606**

Notes are an integral part of the consolidated financial statements.

Consolidated statement of cash flows

EUR thousands	Note	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
Cash flows from operating activities			
Net result for the period		120,319	117,737
Adjustments[1)]		240,884	240,770
Change in net working capital[2)]		–23,935	2,296
Dividends received		36	36
Interest paid		–4,472	–5,259
Interest received		453	272
Other financial items		–2,902	–2,151
Income taxes paid		–26,526	–15,889
Net cash generated from operating activities		**303,858**	**337,812**
Cash flows from investing activities			
Investments in property, plant and equipment (PPE) and intangible assets		–147,915	–160,614
Proceeds from sale of PPE		350	585
Other investments		–143	–91
Group account receivable		–57,645	–3,958
Net cash used in investing activities		**–205,353**	**–164,077**
Cash flows from financing activities			
Dividend distribution	22	–200,917	–
Proceeds from borrowings	26, 27	252,755	95,000
Repayment of borrowings	26, 27	–111,429	–223,123
Repayment of lease liabilities		–41,298	–42,428
Net cash used in financing activities		**–100,889**	**–170,551**
Change in cash and cash equivalents		–2,385	3,184
Cash and cash equivalents at beginning of period	21	10,817	7,633
Cash and cash equivalents at end of period	21	8,432	10,817

EUR thousands	Note	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
1) Adjustments:			
Depreciation, amortisation and impairment	8	203,810	204,429
Gains and losses on disposals of non-current assets		153	–431
Other non-cash income and expense		–14	–16
Finance income and expense	10, 11	9,435	6,887
Income tax expense	12	30,672	29,554
Change in provisions		–3,171	346
Total adjustments		**240,884**	**240,770**
2) Change in net working capital:			
Change in trade and other receivables		–32,907	–20,887
Change in inventories	20	–7,038	–4,493
Change in trade and other payables		16,010	27,676
Change in net working capital		**–23,935**	**2,296**

Notes are an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

EUR thousands	Note	Share capital	Reserve for invested unrestricted equity	Treasury shares	Retained earnings	Total equity
1 Jan 2021		72,702	506,079	–1,728	80,149	657,202
Comprehensive income						
Net result for the period					117,737	117,737
Other comprehensive income						
Total other comprehensive income, net of tax	24				–310	–310
Total comprehensive income		–	–	–	117,427	117,427
Transactions with owners						
Share-based payments	23				300	300
Group contribution	32				–5,519	–5,519
Total transactions with owners		–	–	–	–5,219	–5,219
31 Dec 2021		72,702	506,079	–1,728	192,357	769,410
1 Jan 2022		72,702	506,079	–1,728	192,357	769,410
Comprehensive income						
Net result for the period					120,319	120,319
Other comprehensive income						
Total other comprehensive income, net of tax	24				426	426
Total comprehensive income		–	–	–	120,744	120,744
Transactions with owners						
Share-based payments	23				715	715
Dividend distribution	22				–200,917	–200,917
Group contribution	32				–26,880	–26,880
Total transactions with owners		–	–	–	–227,082	–227,082
31 Dec 2022		72,702	506,079	–1,728	86,019	663,072

Notes are an integral part of the consolidated financial statements.

Notes to the consolidated financial statements

1 General information

DNA Group (”DNA”, the ”Company”) is a national supplier of mobile communication services.

Copies of the Consolidated Financial Statements are available online at www.dna.fi or at the Group parent company head office at Läkkisepäntie 21, 00620 Helsinki, Finland.

DNA is part of the Telenor Group. DNA's parent company is Telenor Finland Holding Oy. Telenor ASA is the parent company of the Telenor Group. Copies of the Consolidated Financial Statements are available at Telenor head office at Snarøyveien 30, N-1360 Fornebu, Norway.

DNA Plc's Board of Directors approved the release of these consolidated financial statements at a meeting on 17 February 2023. Under the Finnish Limited Liability Companies Act, shareholders can approve or reject the consolidated financial statements in the Annual General Meeting held after the release.

2 Accounting principles

Basis of preparation

The Consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) the IAS and IFRS standards as well as SIC and IFRS interpretations applicable as at 31 December 2022. International Financial Reporting Standards refer to the standards and interpretations applicable by corporations set out by the Finnish Accounting Act and other regulations set out on the basis of this ordinance enforced for application in accordance with the procedure stipulated in the regulation (EC) No 1606/2002 of the European Parliament and of the Council. The notes to the Consolidated financial statements also comply with Finnish accounting and corporate legislation complementing the IFRS standards.

The Consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, and financial assets and financial liabilities at fair value through the income statement. The consolidated financial statements are presented in thousand euros.

New and amended standards adopted by the Group

The Group has adopted the followings standards and amended standards during the financial year commencing 1 January 2022:

Amendments to IFRS 3: Reference to the Conceptual Framework (effective from 1 Jan 2022).

Amendments to IAS 37: Onerous Contracts – Costs of Fulfilling a Contract (effective from 1 Jan 2022).

Amendments to IAS 16: Proceeds before Intended Use (effective from 1 Jan 2022).

Amendments to IFRS 9: Fees in the '10 per cent' test for derecognition of financial liabilities (effective from 1 Jan 2022).

These changes have not had material impact on the Group.

Subsidiaries

The Consolidated financial statements comprise the parent company DNA Plc and all its subsidiaries. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The acquisition method of accounting is applied to business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. Acquisitionrelated costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquirees' net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

All intercompany transactions, receivables, liabilities, unrealised gains and internal profit distribution are eliminated in the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Distribution of profit between parent company shareholders and non-controlling shareholders is presented in the income statement, and distribution of comprehensive income between parent company shareholders and non-controlling shareholders is presented in the consolidated statement of comprehensive income. Non-controlling interest in equity is presented in the balance sheet as a separate component of shareholder's equity. The Group did not have any non-controlling shareholders during the financial years 2021 and 2022.

Associated companies

Associated companies are companies in which the Group has a significant influence. A significant influence is realised if the Group holds more than 20 per cent of the voting rights or otherwise has a significance influence without exercising full control.

Associated companies are consolidated using the equity method. If the Group's share of the associated companies' losses exceeds the carrying amount of the investment, the investment is recognised in the balance sheet at zero value and the portion of the losses exceeding the carrying amount is not consolidated unless the Group has agreed to meet the associated companies' obligations. Unrealised profits between the Group and its associated companies are eliminated to the extent of the Group's share of ownership. The investment in each associated company includes goodwill arising from the acquisition. The Group's share of the associated companies' result for the financial year corresponding the Group's share of ownership is recognised separately below the operating result line. The Group's share of its associates' movements in other comprehensive income is recognised in the Group's other comprehensive income. The Group's associates have not had any such items during the financial years 2021 and 2022.

Joint arrangements

Joint arrangement refers to an arrangement where two or more entities jointly control an arrangement. Joint arrangements are classified either as a joint venture or a joint operation. A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement, whereas in a joint operation, the Group has rights to the assets, and obligations for the liabilities, relating to the arrangement.

Suomen Yhteisverkko Oy, established during the reporting period 2014 is accounted for in accordance with IFRS 11 as a joint operation. The parties control the arrangement jointly. According to the contractual agreement, all decisions on essential operations of the company require unanimous agreement by both parties. The joint arrangement is classified as a joint operation. The contractual arrangement establishes the owners of Suomen Yhteisverkko Oy rights to the assets and obligations for liabilities, relating to the arrangement, and the parties' rights to the corresponding revenues and obligations for the corresponding expenses. DNA recognises its share of Suomen Yhteisverkko Oy's assets, liabilities, revenues and expenses in its consolidated financial statements.

Segment reporting

The reporting on the operating segments is consistent with the internal reporting to the chief operating decision maker and the DNA's operating segments form also reportable segments. The CEO, who is responsible for strategic and operative decisions, has been nominated the chief operating decision maker to make decisions about resources to be allocated to the segments and to assess their performance.

Foreign currency translation

The consolidated financial statements are presented in euro, which is the functional and presentation currency of the Group's parent company.

Foreign currency transactions

Foreign currency transactions are translated into functional currency applying the exchange rates valid on the date of the transaction. Monetary items denominated in foreign currency are translated into functional currency applying the exchange rates quoted on the balance sheet date.

Gains and losses on foreign currency transactions and translation of monetary items are recognised in the income statement. Exchange gains and losses related to business operations are included in other operating income or expenses.

Property, plant and equipment

Items of property, plant and equipment have been carried at their historical cost less accumulated depreciation and impairment.

If an item consists of several components with varying useful lives, each component is treated as a separate asset. In this case, the cost of replacement is capitalised. In other cases, subsequent costs are included in the carrying amount of the asset only when it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost of the item can be measured reliably. Other repair and maintenance costs are recognised against profit or loss as they are incurred.

Depreciation on assets is calculated using the straightline method over the estimated useful lives. Land is not recognised as a depreciable asset.

The depreciation periods are as follows:

Buildings and constructions

Buildings	25 years
Constructions	10–25 years

Machinery and equipment

Networks	5–15 years
Machinery and equipments	3–15 years

Residual values and useful lives are reviewed at the end of each reporting period and, if appropriate, adjusted to reflect any changes in the expectation of financial benefit.

Depreciation on property, plant and equipment ceases when the asset is classified as held for sale.

Capital gain or loss on the decommissioning and disposal of property, plant and equipment are included in other operating income or other operating expenses.

Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in the fair value of the identifiable net assets acquired at the acquisition date. Goodwill arising from business combinations is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is allocated to operating segments for the purpose of impairment testing.

Research and development expenditure

Research expenditure is recognised as an expense in the income statement. Expenditure for the development of new or improved products is capitalised as intangible assets in the balance sheet when the product is technically feasible and commercially viable and it is likely that the future economic benefits attributable to the development expenditure will go to the company Capitalised development expenditure comprises material, work and testing expenses that are directly attributable of completing the product for its intended use. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Intangible assets are amortised from the date they are ready for use. Subsequent the initial recognition, capitalised development expenditure is carried at cost less accumulated amortisation and impairment. Currently the Group has no uncompleted capitalised development expenditure.

Contractual customer base

Contractual customer base acquired in a business combination is recognised at fair value at the acquisition date. The contractual customer base has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straightline method over the expected life of the customer base.

Other intangible assets

Intangible assets are recorded at historical cost in the balance sheet only when it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost can be measured reliably.

Intangible assets with finite useful life are recognised as an expense on a straightline basis in the income statement over their known or foreseeable useful life.

The useful lives of other intangible assets are as follows:

Development costs	3 years
Customer contracts and the related customer relationships	1–20 years
IT software	3–10 years
Brand	Indefinite useful life, not depreciated
Spectrum license	17–20 years
Other intangible assets	2–10 years

Inventories

Inventories are stated at the lower of cost or probable net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost to sell. Inventories are stated at the weighted average price.

Lease agreements

DNA Plc mostly acts as a lessee. The Group enters into agreements to lease office premises, equipment facilities and aerial sites in particular. For office premises, the average lease period is 2 to 5 years and for equipment facilities 4 to 7 years. Due to the nature of leases, the Group's most essential contracts are related to leased premises and equipment spaces. In addition, the Group has essential individual agreements related to technology which have an essential impact on the assets and liabilities on the balance sheet. After consideration, DNA does not separate non-lease components from associated lease components and report lease components and non-lease components as a single lease component. DNA Plc uses the exemption for short-term leases. Lease payments associated with short-term leases are recorded as an expense. Lease agreements are reported in the profit and loss as depreciation and interest expense.

For more information on lease agreements, please see note 30.

Impairment of property, plant and equipment and intangible assets

Goodwill, intangible assets with indefinite useful life and intangible assets in progress are tested for impairment annually and whenever there is any indication of impairment of an asset. Intangible assets with finite useful lives and tangible assets, including right-of-use assets, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent.

Recoverable amount is the higher of the asset's fair value less costs to sell, or the value in use. Value in use refers to the estimated future net cash flows obtainable from the asset or a cash generating unit (CGU), which are discounted to their present value. The discount rate is the pretax rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised when the asset's carrying amount exceeds its recoverable amount. An impairment loss is immediately recognised in the income statement. If an impairment loss is recognised for a CGU, the loss is first allocated to reduce goodwill on the CGU and then to reduce other assets of the unit on a prorata basis. When an impairment loss is recognised, the useful life of the amortised asset is reassessed. In respect of assets other than goodwill, an impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount for the asset. However, the reversal will not exceed the carrying amount that the asset would have if an impairment loss had not been recognised. An impairment loss for goodwill cannot be reversed.

Employee benefits

Retirement benefit obligations

The Group's employee pension plans are managed by external insurance companies. The TyEL pension insurances managed by the pension insurance companies are treated as defined contribution plans, and additional pension insurances as defined benefit plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefit relating to employee service in the current and prior periods.

In contribution-based plans, the Group makes payments to publicly or privately managed pension insurances, which are mandatory, contract-based or voluntary. The Group has no other payment obligations apart from these. The payments are recognised as employee expenses when they fall due. Payments made in advance are recognised as assets in the balance sheet to the extent there are economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Post-employment plans other than defined contribution plans are defined benefit plans. DNA also has additional defined benefit plans for some employees. Defined benefit plans generally pay an agreed benefit at retirement, determined by a formula based on one or more factors, such as the employee's age at retirement, years of service and compensation earned while in employment.

Net defined benefit plan liability is reported in the balance sheet at present value at the end of the annual reporting period. The fair value of any plan assets is deducted from the present value. The Group's obligations with regard to defined benefit plans are based on unbiased actuarial assumptions using the projected unit credit method. The present value of the obligation is determined by using the market yields of high-quality bonds issued by companies as the discount rate. These bonds are issued in the currency in which the benefits are to be paid and their maturity corresponds in essential aspects to the maturity of the pension obligation being considered.

Gains or losses resulting from actuarial losses or past service costs are recognised in the statement of other comprehensive income when they occur. Past service costs are recognised immediately at fair value through the income statement.

Share-based payments

Telenor has long-term share incentive plans based on which individuals perform work in order to gain Telenor Group's equity instruments. Payments will be made in cash, which will be used to purchase Telenor's shares. The fair value of the consideration received for equity instruments is recognized as an expense in the period in which all vesting conditions are expected to be met. An estimate of how many equity instruments are expected to vest is reviewed at the end of each reporting period. The potential effect of revisions to the original estimates is recognized in the income statement and a corresponding adjustment is made to equity. If the right to the shares is cancelled due to the non-fulfilment of performance-based conditions, the expenses previously recorded for those shares will be cancelled.

More information regarding share-based payments is presented in note 23.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of the expenditure required to settle the obligation. The discount rate used to determine the present value reflects current market assessments of the time value of money at the time of review and the risks involved in the obligation. Where the Group expects some of the obligation to be reimbursed by a third party, the reimbursement is recognised as a separate asset but only when it is virtually certain.

A restructuring provision is recognised if the Group has prepared a detailed restructuring plan and initiated its implementation or notified thereof.

The Group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract. Provisions are not recognised for future operating losses.

A provision for asset retirement obligation is recognised when the Group is under contractual obligation regarding dismantling and demolition of leased equipment and aerial sites, and telephone poles and masts.

Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Income tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. The current income tax charge on taxable income for the year is calculated using the tax rate enacted at the balance sheet date adjusted by any income taxes for prior periods.

Deferred income tax is recognised on temporary differences arising between the carrying amount of assets and liabilities and their tax bases. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting, nor taxable profit or loss.

The most significant temporary differences arise from the depreciation of property, plant and equipment and fair value measurement on business combinations, unused tax losses and unused taxable depreciation.

Deferred income tax is determined using tax rates enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

Revenue recognition

Contractual performance obligations include voice, data, operator and TV services as well as mobile and data terminal equipment. One contract may include several performance obligations and DNA may agree on the delivery of several services or combinations of services and equipment to a customer. Those service and equipment contracts that have been signed with a customer at the same time are treated as one contract in revenue recognition. Prices specified in the contract are used as transaction prices, which are allocated to each performance obligation in proportion to the standalone selling price. These are determined based on the standalone selling prices of the products included in the contract at time of sale.

A performance obligation may be fulfilled over time or at a point in time, and the main criterion is the transfer of control. Subscription service contracts mainly comprise performance obligations that are satisfied over time. The performance is carried out throughout the contract period, and discounts and activation fees are allocated evenly throughout the contract period. For performance obligations that are satisfied at a certain point in time, such as mobile equipment or services independent of other services, the customer is deemed to gain control at the entry to contract or at the time the separate service is ordered.

The customer pays for the mobile equipment fully at the time of sale or by monthly payments throughout the contract period. Monthly service fees are paid by monthly payments throughout the contract period. The time for the payment of a performance obligation may be different from the time of recognition. According to management evaluation, no financing component applies to the performance obligations. Revenue from monthly services is recognised when the service is performed even though discounts are generally given in the beginning of the contract period. Revenue from the sales of mobile devices is recognised at the time of sale, i.e. when the device is transferred to the customer, regardless of whether the customer pays for the device fully at the time of sale or by monthly payments throughout the contract period.

A customer has the right to cancel the service contract and return the device to DNA for 14 days. If the customer cancels the contract, the activation fee is not returned to the customer. No allocation applies to the refund right in accounting, and returns are processed as normal refunds. Revenue has not been adjusted by the estimated amount of refunds as they are expected to be low.

Mobile devices have an extended warranty of 3 years. During the warranty period, DNA is obliged to service or replace the mobile device. In terms of accounting, there are no essential provisions made in relation to the warranty. The prolonged warranty period is not considered a separate performance obligation.

When a customer purchases several products included in certain product combinations, discounts for these are allocated to the relevant performance obligations in proportion to the standalone selling prices at time of sale.

Activation and connection fees are charged for subscription and data services. No individual good or service is transferred, so they are included in the transaction price, which is allocated to each performance obligation in proportion to the standalone selling prices and allocated evenly throughout the contract period.

For fixed-term contracts, sales commissions and fees paid on obtaining a contract are recognised as incremental costs and amortised. Incremental costs are amortised over the expected contract period or the customer's average contract period depending on the nature of the purchase cost and the service. The period during which the cost of obtaining a contract is amortised, requires significant judgment.

For more information, please see note 5.

Interest and dividend

Interest income is recognised using the effective interest method, and dividend income is recognised when the right to receive dividend is established.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Financial assets and liabilities

Classification of financial assets and liabilities

Financial assets

Financial assets are recorded on the settlement date. During the initial recognition of financial assets, the Group classifies them into the following groups: amortised cost, fair value through profit and loss and fair value through other comprehensive income. Classification depends on the business model in which the financial asset is held and the contractual terms of the financial asset. Financial assets are derecognised when the right to receive the contractual cash flows has expired and the Group has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

According to the impairment model, impairment provisions must be recognised based on expected credit losses. At DNA, the impairment model applies to the recognition of impairment loss of trade receivables. DNA applies a simplified approach and a provision matrix for trade receivables as trade receivables do not have a significant financing component. Accordingly, they are measured for impairment purposes at an amount equal to lifetime expected credit losses. The approach based on expected credit losses is forward looking and expected default rates are based on historical realised credit losses. The lifetime expected credit loss allowance is calculated by multiplying the gross carrying amount of trade receivables by the lifetime expected credit loss rate. The changes in expected credit losses will be recognised in profit and loss. Regarding assets measured at amortised cost, DNA is actively monitoring such instruments and will recognise impairment through profit and loss in accordance with the set criteria.

Financial liabilities

Borrowings recognised initially at the fair value of consideration received less transaction costs incurred. Borrowings are subsequently carried at amortised cost using the effective interest method. Borrowings may include both current and non-current borrowings The Group has both current and non-current borrowings. They can be interest-bearing or non-interest-bearing. Borrowings are derecognised once the Group's obligations in relation to liability is discharged, cancelled or expired. When a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

Derivative financial instruments

The Group does not currently hold any derivative financial instruments. DNA does not apply hedge accounting.

Cash

Cash and cash equivalents consist of cash and bank deposits available on demand. Items classified as cash and cash equivalents have a maximum maturity of three months from the date of acquisition. The related credit accounts in the group accounts are included in current financial liabilities.

Share capital

Outstanding ordinary shares are presented in share capital.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies. These estimates are based on historical experience and various other assumptions that management believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in all subsequent periods.

Management believes that the following areas comprise the most difficult, subjective or complex judgments it has to make in the preparation of the financial statements. For information on accounting policies applied, see the respective sections of this note.

Business acquisitions

Net assets acquired through acquisitions are measured at fair value. The consideration exceeding the fair value of assets acquired is recognized as goodwill. The measurement of fair value of the assets is based on estimated market value of similar assets (tangible assets), estimate of expected cash flows (intangible assets such as customer relationships) or estimate of payments required to fulfil an obligation (such as assumed provisions).

Active markets, where fair values for assets and liabilities are available, exist only seldom for the acquired net assets. Therefore the valuation exercise, which is based on repurchase value, expected cash flows or estimated payments, requires management judgement and assumptions. Management believes that the estimates and assumptions used are sufficiently reliable for determining fair values.

Valuation of intangible assets and property, plant and equipment

Intangible assets including goodwill represent approximately 27 per cent of DNA's total assets in 2022 (28) and property, plant and equipment represent approximately 27 per cent of DNA's total assets in 2022 (28).

Depreciation and amortisation expenses

Depreciation and amortisation expenses are based on management's estimates of residual value, depreciation and amortisation method and the useful life of property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the amortisation or depreciation charges recognised through the income statement. Technological developments are difficult to predict and the Group's views on the trends and pace of development may change over time. Critical estimates in the evaluations of useful lives for tangible and intangible assets include, but are not limited to, licence period and expected developments in technology and markets and in the cash inflows expected to be derived from the use of intangibles such as a brand or customer relationships. The useful lives of property, plant and equipment and intangible assets are reviewed at least annually taking into consideration the factors mentioned above and all other important relevant factors. A change in estimated useful life is a change in accounting estimate, and depreciation and amortisation plans are adjusted prospectively. For additional information on intangible assets as well as property, plant and equipment subject to amortisation and depreciation and their carrying values as of the end of the reporting period, see notes 14 and 15 to the Consolidated financial statements.

Impairment testing

The Group has made significant investments in goodwill and other intangible assets including IT systems, licences, acquired brands and customer relationships as well as in property, plant and equipment comprising mainly mobile and fixed broadband network. Goodwill, intangible assets with indefinite useful life and intangible assets not yet in use are tested for impairment annually or more often if indicators of impairment exist, whereas other assets are tested for impairment when circumstances indicate there may be a potential impairment.

The determination of impairments of goodwill and other intangible assets as well as property, plant and equipment involves the use of estimates that include, but are not limited to, the cause, timing, and amount of the impairment. Impairment is based on a large number of factors, such as changes in current competitive conditions, expectations of growth in the telecommunications industry, increased cost of capital, technological obsolescence, discontinuance of services, current replacement costs, prices paid in comparable transactions, and other changes in circumstances that indicate an impairment exists. The identification of impairment indicators, as well as the estimation of future cash flows and the determination of fair values for assets (or groups of assets) require management to make significant judgments concerning the identification and validation of impairment indicators, expected cash flows, applicable discount rates, useful lives, and residual values. When determining the values in use for the cash generating units, additional planning uncertainties are factored in that reflect the risks of macroeconomic development, which could adversely affect future results of operations. The most significant assumptions in goodwill impairment testing comprise of growth in net sales, development of EBITDA, determination of the discount rate (WACC), and long-term growth rate used after the five-year forecast period. The carrying amount of goodwill at 31 December 2022 was EUR 338.7 million (338.7). Further details on goodwill impairment testing, including a sensitivity analysis, are included in note 15.

Lease agreements

Critical judgements and material estimates are mainly related to the length of the lease period as well as the determination of the discount rate.

Provisions

Provisions for asset retirement obligations related to equipment facilities, masts and telephone poles in use and onerous contracts by DNA are determined based on the net present value (NPV) of DNA's total estimated dismantling or demolition costs for asset retirement obligations and unavoidable costs for onerous costs. The estimates are based on future estimated level of expenses taking into account the effect of inflation, costbase development and discounting. Assumptions are also used in assessing the time periods for which the asset retirement costs are incurred. Because actual outflows can differ from estimates due to changes in laws and regulations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take into account of any such changes. The discount rate applied is reviewed monthly.

Provisions recognized for future costs related to asset retirement obligations amounted to EUR 11.2 million on 31 December 2022 (13.8) and for onerous contracts EUR 0.0 million on 31 December 2022 (0.0). See note 25 for more information on provisions.

Revenue recognition

Principal or agent – gross versus net presentation
When DNA acts as a principal, income and payments to suppliers are reported on a gross basis in revenue and operating costs. If DNA sells goods or services as an agent (mainly value added or content services for mobile services) revenue and payments to suppliers are recorded in revenue on a net basis, representing the margin/commission earned.

Whether the Group is considered to act as the principal or the agent in a transaction depends on analysis by management of both the legal form and substance of the agreement between the group and its business partners; such judgments impact the amount of reported revenue and operating expenses but do not impact net income or cash flows.

Features indicating that the Group is acting as a principal include responsibility for providing the goods or services and the group has latitude in establishing prices or provides additional goods and services. When the Group is acting as an agent, it does not have exposure to significant risks and rewards associated with the sale of goods or services or the amount it earns is predetermined, being either a fixed fee per transaction or a stated percentage of the amount billed to the customer.

New standards and interpretations not yet adopted by the Group

The following new accounting standards and interpretations have been published that are not mandatory until after 1 January 2022 reporting periods and have not been early adopted by the group:

Amendments to IAS 8: Definition of Accounting Estimates (effective from 1 Jan 2023 or later).

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective from 1 Jan 2023 or later).

Amendments to IAS 12: Deferred tax related to assets and liabilities arising from a single transaction (effective from 1 Jan 2023 or later).

Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective from 1 Jan 2024 or later).

Amendments to IFRS 16: Lease liability in a sale and leaseback (effective from 1 Jan 2024 or later).

Each standard will be adopted by the Group on the effective date, or if the effective date is other than the first day of the reporting period, the next day, subject to endorsement by the EU.

No already published but not yet applied IFRS standards or IFRIC interpretations are expected to have material impact on the Group.

3 Financial risk management

The main objectives of the Group's treasury operations are funding, optimising cost of capital and manag-ing financing risks. Principles of risk managements are defined in the Group treasury policy, approved by the parent company Board of Directors. The policy includes guidelines for raising capital, investing cash surplus and managing finance risk. The Group treasury activities are centralised at the parent company treasury department which coordinates and monitors financing in the subsidiaries and reports to the Group management. The Group liquidity is centralised by using Group accounts and pooling systems. The parent company is responsible for investing the surplus liquidity as well as managing the Group's external funding requirements. Any finance deficit in the subsidiaries will be financed through internal loans within the Group.

The main financial risks in the Group are liquidity, credit and interest rate risk. The objective of the Group financing risk management is to identify and measure the total risk position created by the Group financ-ing operations and to carry out risk management measures to ensure that the total financing risk will not exceed the Group risk-bearing capacity and objectives. The Group's currency risk is not material since its operations are mainly carried out in Finland.

Liquidity risk

Liquidity risk refers to situations where the Group's financial assets and extra funding opportunities fall short of the Group's requirements or the cost of raising funding s is higher than the market cost. Creating cash flow forecasts and determining any related uncertainties are the key measures to manage liquidity risk. At the end of 2022, the Group had a strong liquidity position with cash and cash equivalents of EUR 8.4 million (10.8), and borrowings (non-current and current) of EUR 470.4 million (313.9). In addition to cash and bank deposits, DNA had group cash pool receivables of EUR 85.3 million (27.6) and unused credit facilities and other committed credit facilities of EUR 122.7 million (174.9). The Group's cash and bank deposits and undrawn committed credit facilities, excluding group cash pool receivable, amounted to EUR 131.2 million (185.7). Total borrowings increased by EUR 155 million in 2022.

Debt maturity analysis

2022

EUR thousands	Less than 1 year		1–5 years		Over 5 years		Total		Total
	Interest payment	Re-payment	Interest payment	Re-payment	Interest payment	Re-payment	Interest payment	Re-payment	Cash flow
Borrowings[1]	6,174	-	9,804	473,350	-	-	15,978	473,350	**489,329**
Lease liabilities[2]	-	46,959	-	118,282	-	16,934	-	182,175	**182,175**
Trade payables	-	116,985	-	-	-	-	-	116,985	**116,985**

2021

EUR thousands	Less than 1 year		1–5 years		Over 5 years		Total		Total
	Interest payment	Re-payment	Interest payment	Re-payment	Interest payment	Re-payment	Interest payment	Re-payment	Cash flow
Borrowings[1]	3,489	-	10,529	315,096	54	3,000	14,072	318,096	**332,169**
Lease liabilities[2]	-	44,927	-	126,319	-	20,319	-	191,565	**191,565**
Trade payables	-	120,569	-	-	-	-	-	120,569	**120,569**

1) Borrowings excluding finance leases
2) Undiscounted cash flows of lease liabilities

The following year's repayments are included in current liabilities. At balance sheet date, the average rate of variable rate loans was 2.82 per cent (0.0) and variable rate loans constituted 47 per cent (21) of the Group's borrowings.

Borrowings from financial institutions have variable rates and bonds have fixed rates. The coupon rate for the bond maturing in March 2025 is 1.375 per cent.

Credit risk

The Group has a large number of customers and the individual receivable amounts are small, and as such there are no major individual risks. New customers are subjected to credit check as part of the ordering process, and if any existing customers are found to have credit problems, unsecured new sales are not made. In 2022, the impairment loss of trade receivables totaled EUR 3.3 million (3.0). The maximum exposure to credit risk at the reporting date is the carrying value of financial assets. Customers with weaker solvency are required to pay the basic charges in advance as a deposit. Counterparty risk refers to a situation where the other party fails to meet its obligations under the financing agreement. To restrict and monitor the counterparty risk, investments and derivative instruments are managed by counterparty, financial instrument and maturity limits. Counterparty risk mainly relates to the cash and cash equivalents of the company. DNA is not subject to any significant counterparty risk since cash and cash equivalents are distributed to several financial institutions with good credit ratings.

Trade receivables and contract assets

Under IFRS 9, DNA can apply a simplified approach for expected credit losses from trade receivables and contract assets, according to which expected credit losses are measured for impairment purposes at an amount equal to lifetime expected credit losses.

For the purpose of determining expected credit losses, trade receivables and contract assets have been grouped based on their credit risk characteristics and historical loss rates. Contract assets are included in non-invoiced items, and their risk characteristics are similar to trade receivables from similar types of contracts.

The age distribution of outstanding trade receivables is shown in the following table.

EUR thousands	2022	2021
Undue	255,515	229,997
1–45 days overdue	14,509	12,962
46–90 days overdue	1,741	1,706
91–180 days overdue	2,457	2,452
More than 180 days overdue	4,569	4,602
Total	**278,790**	**251,719**

Interest rate risk

The Group's interest rate risk primarily comprises interest rate sensitivity of financial items, referring to the direct effect of changes in the interest rate level on financial items, mainly borrowings, and historical-ly also derivative instruments. DNA's interest rate risk arises from borrowings that are issued at floating rates and expose DNA to cash flow interest rate risk. To manage its interest rate risk, the Group may use interest rate derivatives. At 31 December 2022, DNA did not hedge any of its borrowings (hedged 0). At the end of 2022, the Group had no interest rate derivatives (0).

Borrowings issued at fixed rates, mainly the fixed rate bonds, expose the Group to fair value interest rate risk. As at 31 December 2022, 53 per cent of DNA's borrowings were fixed rate (79).

If interest rates had been one percentage point higher, with all other variables held constant, the calcu-lated post-tax result would have been EUR 1.0 million lower (–0.2) and, with the corresponding decrease in interest rates, the calculated post-tax result would have been EUR 1.0 million higher (+0.2). The sensitivity analysis covers the Group's variablerate loans, cash and cash equivalents.

Capital management

The objective of the Group's capital management is to support the business operations by optimising the capital structure, as well as increasing shareholder value by maximising return on capital.

The capital structure can be influenced for example through dividend distribution, repayment of capital and planning the cash outflows for investments. The Group management monitors the development of the capital structure for example on the basis of the gearing and equity ratios as well as the det debt to EBITDA ratio. The Group's credit facility agreements do not include financial covenants. The equity ratio on the balance sheet date was 39.9 per cent (47.3) and net debt to EBITDA ratio was 1.74:1 (1. 37:1).

Financial instruments by class

Financial assets

EUR thousands	2022	2021
Financial assets recognised at amortised cost		
Trade receivables[1)]	278,790	251,719
Other financial assets recognised at amortised cost	10,128	8,777
Cash and cash equivalents	8,432	10,817
Financial assets recognised at fair value through other comprehensive income	111	111
Total	**297,461**	**271,424**

Financial liabilities

EUR thousands	2022	2021
Financial liabilities recognised at amortised cost		
Trade and other payables[2)]	148,036	151,124
Borrowings	642,400	502,486
Total	**790,435**	**653,610**

[1)] Prepayments are excluded from trade and other receivables as they do not represent financial instruments.
[2)] Trade and other payables do not include items other than financial liabilities because this analysis is only required for financial instruments.

4 Segment information

The Group's operations are managed and reported according to the following business segments:

DNA's Consumer segment offers consumers diverse telecommunication services such as communication, information, safety and entertainment, including mobile phones and mobile phone subscriptions, broadband (mobile and fixed), data security services, TV services from connections to channel packages as well as fixed telephone connections.

DNA's Corporate segment offers companies and communities nationwide, standardised and easy-to-use communication and data network solutions, including SMS, telecommunication and voice services, comprehensive solutions as well as services to domestic and international teleoperators.

The primary key indicators for the segments' result monitoring comprise net sales, EBITDA and operating result. Items not allocated to segments include finance items, share of associates' results and income tax expense.

The DNA Group operates in Finland, domestic operations accounting for a majority of its net sales. In 2022, foreign operations accounted for EUR 24.4 million (22.1).

As the products and services of the Group's extensive portfolio are targeted at the mass market, the Group is not dependent on any single customer.

The primary key indicators for the segments' profit and loss monitoring comprise net sales, EBITDA and operating result. The company believes that the EBITDA measure provides meaningful supplemental information to the company management and the readers of its financial statements by excluding items that may not be indicative of the company's operating result or cash flows.

1–12/2022

EUR thousands

Business segments	Consumer business	Corporate business	Unallocated	Group total
Total revenues	**761,901**	**235,159**		**997,059**
EBITDA	**283,758**	**80,257**		**364,015**
Depreciation, amortisation and impairment	132,058	71,752		203,810
Operating result	**151,700**	**8,505**		**160,206**
Net finance items			−9,229	−9,229
Share of associates' results			14	14
Net result before income tax				150,991
Net result for the period				**120,319**
Capital expenditure[1]	107,190	60,162		167,353
Employees at end of period	949	746		1,695

1–12/2021

EUR thousands

Business segments	Consumer business	Corporate business	Unallocated	Group total
Total revenues	**727,483**	**228,478**		**955,961**
EBITDA	**279,153**	**79,439**		**358,591**
Depreciation, amortisation and impairment	131,708	72,720		204,429
Operating result	**147,444**	**6,718**		**154,163**
Net finance items			−6,887	−6,887
Share of associates' results			16	16
Net result before income tax				147,291
Net result for the period				**117,737**
Capital expenditure[1]	126,221	65,034		191,256
Employees at end of period	898	706		1,604

[1] Capital expenditure is defined as additions to property, plant and equipment and intangible assets excluding business acquisitions and asset retirement obligations. Capital expenditure includes capitalised licences.

EBITDA is not prepared in accordance with IFRS and is therefore considered a non-IFRS financial measure, which should not be viewed in isolation or as a substitute to the equivalent IFRS financial measures. EBITDA should not be considered as an alternative to (a) operating result or net result for the period as a measure of operating performance, (b) cash flows from operating, investing or financing activities as a measure of the company's ability to meet its cash needs or (c) any other IFRS financial measures, or as a measure of performance or liquidity.

5 Revenue from contracts with customers

Aggregation of revenue

The group revenue consists of income from contracts with customers. The Consumer segment revenue in 2022 was EUR 761.9 million (727.5) and the Corporate segment revenue was EUR 235.2 million (228.5).

Segment revenue is derived from the transfer of goods and services in the following product lines over time and at a point in time:

EUR thousands	1–12/2022		1–12/2021	
Timing of revenue recognition	Point in time	Over time	Point in time	Over time
Subscription and traffic		533,446		512,461
Interconnect revenues		33,404		39,311
Mobile revenues subscriptions		**566,849**		**551,772**
Other mobile revenues		17,161		13,239
Total mobile revenues		**584,010**		**565,011**
Non-mobile revenues	171,763	22,978	152,122	19,992
Other revenues[1)]		3,633		3,749
Total revenues mobile operation	**171,763**	**610,621**	**152,122**	**588,752**
Telephony		13,856		16,300
Internet and TV		162,913		157,136
Other revenues		24,978		26,356
Total retail revenues		**201,748**		**199,792**
Wholesale revenues		12,927		15,296
Total revenues fixed operation		**214,675**		**215,088**
Total revenues	**171,763**	**825,296**	**152,122**	**803,839**

[1)] Other revenues consist of, among other things, rental income and income from the sale of assets.

Assets and liabilities related to contracts with customers

DNA has recognised the following contract assets related to revenue. Contract assets include deferred discounts. Discounts are recognised evenly throughout the contract period.

EUR thousands	2022	2021
Contract assets	852	1,317
Loss allowance	–7	–12
Total contract assets	845	1,305

DNA has recognised the following contract liabilities related to revenue. The debt includes activation and connection fees as well as adjustments to subscription and device bundles as a result of the allocation of separate performance obligations on the basis of their relative standalone selling prices. Activation and connection fees are recognised during the contract period.

EUR thousands	2022	2021
Contract liabilities	3,369	2,886

Significant changes in contract assets and liabilities

Contract assets have decreased by EUR 0.5 million due to decreased connection-equipment sales. Contract liabilities have increased by EUR 0.5 million due to increased installation sales.

Revenue recognised related to contract liabilitiest

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward liabilities.

EUR thousands	2022	2021
Revenue recognised that was included in the contract liability balance at the beginning of the period	1,650	1,916

Management expects that 58 per cent (57) or EUR 1.5 million (0.9) of the transaction price allocated to the unsatisfied contracts as of 31 December 2022 will be recognised as revenue during the next reporting period. The remaining 42 per cent (43) or EUR 1.1 million (0.7) will be recognised during 2024 or later.

The figure above does not include variable consideration, which is constrained.

All other contracts are for periods of one year or less or are billed based on time incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Assets recognised from costs to obtain a contract

In addition to the contract balances disclosed above, DNA has also recognised an asset in relation to costs to obtain a contract. The asset is recognised as a cost throughout the contract period consistent with the pattern of recognition of the associated revenue.

EUR thousands	2022	2021
Asset recognised from costs incurred to obtain a contract at 31 December	84,289	74,884
Costs recognised through profit and loss during the period	35,830	33,191

6 Other operating income

EUR thousands	2022	2021
Rental income	3,046	3,026
Other income	587	643
Total	**3,633**	**3,669**

7 Other operating expenses

EUR thousands	2022	2021
Maintenance expenses	68,954	57,521
Rental expenses	2,943	2,001
External services	4,700	5,812
Other expenses	44,009	36,057
Total	**120,606**	**101,390**

Auditor's fees

EUR thousands	2022	2021
Ernst & Young Oy		
Audit fees	267	415
Tax services	46	21
Other services	183	99
Total	**496**	**535**

8 Depreciation, amortisation and impairment

EUR thousands	2022	2021
Depreciation and amortisation changes per category:		
Intangible assets		
Customer base	3,800	4,037
Brand	-	0
Other intangible assets	41,052	40,846
Total	**44,851**	**44,883**
Property, plant and equipment		
Buildings and constructions	3,117	3,791
Machinery and equipment	108,184	107,941
Total	**111,300**	**111,732**
Right-of-use assets		
Other intangible assets	6,217	6,217
Land and water	482	387
Buildings and constructions	40,276	40,523
Machinery and equipment	684	688
Total	**47,658**	**47,814**
Total depreciation, amortisation and impairment	**203,810**	**204,429**

9 Employment benefit expenses

EUR thousands	2022	2021
Wages and salaries	95,611	94,662
Pension expenses – defined contribution plan	15,988	16,563
Pension expenses – defined benefit plan	–33	61
Share-based payments	1,058	1,304
Other personnel expenses	3,107	4,000
Total	**115,732**	**116,590**

Number of personnel, average		
Consumer business	934	914
Corporate business	734	718
Total	**1,668**	**1,632**

Key management compensations are presented in note 32 Related party transactions.

10 Finance income

EUR thousands	2022	2021
Interest income from receivables	716	272
Dividend income from other investments	32	32
Total	**748**	**304**

11 Finance expense

EUR thousands	2022	2021
Interest expense	5,909	4,138
Other financial expenses[1)]	4,068	3,053
Total	**9,976**	**7,191**

[1)] Other financial expenses include financial expenses related to lease liabilities amounting to EUR 2.1 million (0.9).

12 Income tax expense

EUR thousands	2022	2021
Income tax, current year	–23,782	–21,653
Income tax, previous years	41	1,315
Change in deferred tax	–6,931	–9,217
Total	**–30,672**	**–29,554**

Reconciliation of the income tax expense and the taxes calculated at the Finnish tax rate:

Net result before tax	150,991	147,291
Income tax at Finnish tax rate (2022: 20%, 2021: 20%)	–30,198	–29,458
Tax effects of:		
Income not subject to tax	125	48
Non-deductible expenses	–159	–1,517
Income taxes from previous years	41	1,315
Adjustment to change in deferred tax	–492	–
Additional deductible expenses	10	58
Tax expense in the consolidated profit and loss statement	**–30,672**	**–29,554**

13 Earnings per share

Basic earnings per share is calculated by dividing the net result attributable to owners of the parent for the financial period, by the weighted average number of outstanding shares during the financial period. Earnings per share adjusted for dilution effect is calculated by including the potential dilution effect of the share-based reward plan.

	2022	2021
Net result attributable to owners of the parent, EUR thousands	120,319	117,737
Weighted average number of shares, thousands	132,182	132,182
Basic earnings per share, EUR/share	0.91	0.89
Weighted average number of shares for the purpose of calculating EPS adjusted for dilution, thousands	132,182	132,182
Earnings per share adjusted for dilution effect, EUR/share	0.91	0.89

14 Property, plant and equipment

EUR thousands	Land and water	Buildings and constructions	Machinery and equipment	Prepayments and non-current assets under construction	Total
31 Dec 2020					
Cost	713	69,631	1,822,958	49,473	1,942,776
Accumulated depreciation	–	–47,458	–1,433,600	–	–1,481,059
Net book amount	**713**	**22,172**	**389,360**	**49,473**	**461,717**
1–12/2021					
Opening net book amount	713	22,172	389,360	49,473	461,717
Additions and transfers	–	6,636	118,897	–5,633	119,900
Disposals	–18	–325	–974	–	–1,317
Accumulated depreciation relating to disposals	–	310	853	–	1,162
Depreciation charge	–	–3,845	–107,887	–	–111,732
Closing net book amount	**695**	**24,948**	**400,248**	**43,840**	**469,730**
31 Dec 2021					
Cost	695	75,942	1,940,881	43,840	2,061,359
Accumulated depreciation	–	–50,993	–1,540,635	–	–1,591,628
Net book amount	**695**	**24,948**	**400,248**	**43,840**	**469,730**
1–12/2022					
Opening net book amount	695	24,948	400,248	43,840	469,730
Additions and transfers	–	–17,408	128,517	–12,526	98,582
Disposals	–	–2,076	–9,294	–	–11,370
Accumulated depreciation relating to disposals	–	4,301	3,428	–	7,728
Depreciation charge	–	–3,117	–108,184	–	–111,300
Closing net book amount	**695**	**6,648**	**414,715**	**31,313**	**453,371**
31 Dec 2022					
Cost	695	56,458	2,060,104	31,313	2,148,571
Accumulated depreciation	–	–49,809	–1,645,391	–	–1,695,200
Net book amount	**695**	**6,648**	**414,715**	**31,313**	**453,371**

A reclassification was made in 2022 for DNA Tower Finland Oy from buildings and constructions to machinery and equipment. The reclassified property comprised of masts with a bookkeeping value of EUR 18.4 million as at 31 December 2022.

15 Property, plant and equipment

EUR thousands	Goodwill	Customer base	Brand	Other intangible assets	Prepayments and non-current assets under construction	Total
31 Dec 2020						
Cost	443,184	133,502	46,744	434,547	11,060	1,069,039
Accumulated amortisation and impairment	–104,479	–88,822	–24,565	–379,282	–3,057	–600,205
Net book amount	**338,706**	**44,680**	**22,179**	**55,265**	**8,003**	**468,833**
1–12/2021						
Opening net book amount	338,706	44,680	22,179	55,266	8,003	468,833
Additions and transfers	–	–	–	43,172	–763	42,409
Disposals	–	–	–	–799	–	–799
Amortisation relating to disposals	–	–	–	799	–	799
Amortisation charge	–	–4,037	0	–40,846	–	–44,883
Closing net book amount	**338,706**	**40,643**	**22,179**	**57,591**	**7,240**	**466,359**
31 Dec 2021						
Cost	443,184	133,502	46,744	476,920	10,297	1,110,648
Accumulated amortisation and impairment	–104,479	–92,859	–24,565	–419,330	–3,057	–644,289
Net book amount	**338,706**	**40,643**	**22,179**	**57,590**	**7,240**	**466,359**

EUR thousands	Goodwill	Customer base	Brand	Other intangible assets	Prepayments and non-current assets under construction	Total
1–12/2022						
Opening net book amount	338,706	40,643	22,179	57,591	7,240	466,359
Additions and transfers	–	–	–	40,582	–892	39,690
Disposals	–	–	–	–36,745	–	–36,745
Amortisation relating to disposals	–	–	–	36,745	–	36,745
Amortisation charge	–	–3,800	–	–41,052	–	–44,851
Closing net book amount	**338,706**	**36,843**	**22,179**	**57,121**	**6,348**	**461,198**
31 Dec 2022						
Cost	443,184	133,502	46,744	480,756	9,405	1,113,593
Accumulated amortisation and impairment	–104,479	–96,658	–24,565	–423,636	–3,057	–652,395
Net book amount	**338,706**	**36,843**	**22,179**	**57,121**	**6,348**	**461,198**

Goodwill allocation

Goodwill is allocated to DNA's cash generating units as follows:

EUR thousands	2022	2021
Consumer segment	192,222	192,222
Corporate segment	146,483	146,483
Total	**338,706**	**338,706**

Impairment testing

In order to carry out impairment testing, goodwill and brands are allocated to cash generating units (CGUs) in accordance with DNA's business organisation. The balance sheet values of all CGUs are subjected to an annual impairment testing.

The recoverable amount (the higher of an asset's fair value less costs to sell and its value in use) of each CGU is defined as the value in use according to the projected discounted cash flows (the DCF method). Cash flow projections are based on the plans approved by management, covering a five-year period. Management considers the projections to reflect development to date and other information available from external sources. The (before tax) discount rate (weighted average cost of capital, WACC) used in testing represents 6.0–6.3 per cent depending on the segment. The forecasted growth rate after five years was 0.9–2.0 per cent, depending on the segment.

The impairment test indicated that the recoverable amounts of the CGUs exceeded their balance sheet values and their goodwill have not been impaired. The assumptions used are based on management's best judgement based on the information available at the publication of the financial statements.

The key assumption used were growth in net sales, development of profitability weighted average cost of capital (WACC) as well as the cash flow growth rate after the five-year forecast period. The major sensitivities in the result are associated with the forecasted net sales and levels of profitability.

Applied parameters used in impairment testing and sensitivity analysis

Applied parameters 2022

Applied forecast parameters	Consumer segment 2022	Corporate segment 2022
Average growth in net sales, %	2.7	4.5
Average operating margin, %[1)]	40.5	35.9
Average investment, % of net sales[1)]	14.1	23.9
Growth after the forecast period, %	0.9	2.0
WACC, %	6.3	6.0
Amount of headroom, EUR million	3,090	313

1) Five-year forecast period average

The table below illustrates the change in percentage points for key forecast parameters before the fair value falls below the carrying value (and other parameters remain unchanged).

Sensitivity analysis of forecast parameters	Consumer segment 2022	Corporate segment 2022
Average EBITDA, % of net sales	–19.9	–4.6
WACC, %	19.4	2.6

Applied parameters 2021

Applied forecast parameters	Consumer segment 2021	Corporate segment 2021
Average growth in net sales, %	1.7	3.4
Average operating margin, %[1)]	41.2	35.7
Average investment, % of net sales[1)]	14.4	25.8
Growth after the forecast period, %	0.9	2.0
WACC, %	5.8	5.5
Amount of headroom, EUR million	2,986	223

1) Five-year forecast period average

The table below illustrates the change in percentage points for key forecast parameters before the fair value falls below the carrying value (and other parameters remain unchanged).

Sensitivity analysis of forecast parameters	Consumer segment 2021	Corporate segment 2021
Average EBITDA, % of net sales	–19.1	–3.1
WACC, %	17.8	1.9

16 Investments in associates

EUR thousands	2022	2021
1 January	1,240	1,228
Share of the result for the financial period	10	12
31 December	**1,249**	**1,240**

There was no goodwill related to the carrying value of associated companies in 2022 and 2021.

Financial information on the Group's associates, including assets, liabilities, net sales as well as the Group's share of the results

EUR thousands

2022	Domicile	Assets	Liabilities	Net sales	Share of result	Group holding
Suomen Numerot Numpac Oy	Helsinki	1,140	481	1,859	10	33%
Kiinteistö Oy Otavankatu 3	Pori	2,620	16	186	0	36%
Kiinteistö Oy Siilinjärven Toritie	Siilinjärvi	321	32	35	0	38%

2021	Domicile	Assets	Liabilities	Net sales	Share of result	Group holding
Suomen Numerot Numpac Oy	Helsinki	779	150	1,840	12	33%
Kiinteistö Oy Otavankatu 3	Pori	2,655	15	191	0	36%
Kiinteistö Oy Siilinjärven Toritie	Siilinjärvi	320	31	38	0	38%

Interests in joint arrangements

	Group holding
Suomen Yhteisverkko Oy	49%

The joint arrangement was established in 2014 and is classified as a joint operation. The contractual arrangement establishes the parties' rights to the assets and obligations for liabilities, relating to the arrangement, and the parties' rights to the corresponding revenues and obligations for the corresponding expenses. DNA recognised its share of 49 per cent (49) of assets, liabilities, revenues and expenses in its consolidated financial statements.

17 Other investments

EUR thousands	2022	2021
Shares in non-listed companies	111	111
Total	**111**	**111**

The Group has chosen a method under which the fair value of items previously classified as available-for-sale financial assets is recognised through profit and loss or other comprehensive income, because these investments are considered to be long-term strategic investments that are not expected to be sold in the short or medium term.

Other investments consist of unquoted shares and are measured at cost, if fair value cannot be reliably estimated or the market is highly illiquid. Other investments are classified as Level 3.

18 Trade and other receivables

EUR thousands	2022	2021
Non-current receivables		
Prepaid expenses[1)]	85,944	75,917
Other non-current receivables	641	564
Total non-current receivables	**86,584**	**76,482**
Current receivables		
Trade receivables	278,790	250,413
Other current receivables[2)]	95,682	61,258
Contract assets	845	1,305
Tax receivable	9,939	10,280
Prepaid expenses[3)]	21,845	23,840
Total current receivables	**407,102**	**347,097**

1) Non-current prepaid expenses mainly consist of IFRS 15 accrued costs, EUR 84.3 million (74.9).
2) Most significant other current receivables include Telenor group cash pool receivables, EUR 94.7 million (60.0) and other accrued items, EUR 1.0 million (1.3).
3) Current prepaid expenses mainly consist of prepaid production rental invoices, prepayments for IT-support and other prepaid trade payables amounting to EUR 12.1 million (17.5), and other prepayments amounting to EUR 9.7 million (5.1).

During 2022, the Group has recognised an impairment loss on trade receivables of EUR 3.5 million (3.0). Fair value of receivables corresponds to book value as the effect of discounting is not material considering the maturity.

Movements in the provision for impairment of trade receivables and contract assets are as follows:

	Contract assets		Trade receivables	
EUR thousands	**2022**	**2021**	**2022**	**2021**
1 January	12	56	7,045	7,013
Change in loss allowance recognised in profit or loss during the year	–5	–44	3,485	3,168
Receivables written off during the year as uncollectible	–	–	–2,527	–3,136
31 December	**7**	**12**	**8,003**	**7,045**

19 Deferred tax assets and liabilities

Breakdown of deferred taxes

EUR thousands

Deferred tax assets 2022	1 Jan	Recognised in the income statement	Recognised in other comprehensive income	31 Dec
Provisions	1,555	–53	–106	1,396
Unused taxable depreciation	1,444	–586	–	858
Other temporary differences	4,000	859	–	4,859
Total	**7,000**	**220**	**–106**	**7,113**

Deferred tax liabilities 2022	1 Jan	Recognised in the income statement	Recognised in other comprehensive income	31 Dec
Fair value of assets through business combinations	12,347	–1,103	–	11,245
Accelerated depreciation	20,998	6,390	–	27,388
Other temporary differences	19,321	1,863	–	21,184
Total	**52,667**	**7,151**	**–**	**59,818**

Deferred tax assets 2021	1 Jan	Recognised in the income statement	Recognised in other comprehensive income	31 Dec
Provisions	2,712	–1,235	78	1,555
Unused taxable depreciation	1,302	142	–	1,444
Other temporary differences	3,603	397	–	4,000
Total	**7,617**	**–695**	**78**	**7,000**

Deferred tax liabilities 2021	1 Jan	Recognised in the income statement	Recognised in other comprehensive income	31 Dec
Fair value of assets through business combinations	13,497	–1,150	–	12,347
Accelerated depreciation	11,709	9,289	–	20,998
Other temporary differences	18,938	383	–	19,321
Total	**44,144**	**8,522**	**–**	**52,667**

20 Inventories

EUR thousands	2022	2021
Materials and supplies	45,256	38,217
Total	**45,256**	**38,217**

During the reporting period, an expense of EUR 173.3 million (153.2) was recognised in the income statement for materials and supplies. Impairments during the period were EUR 0.9 million (0.8).

21 Cash and cash equivalents

EUR thousands	2022	2021
Cash and cash equivalents	8,432	10,817
Total	**8,432**	**10,817**

22 Equity

	Out-standing shares thousands	Treasury shares thousands	Total number of shares thousands	Share capital EUR thousands	Reserve for invested unrestricted equity EUR thousands
1 Jan 2021	132,182	121	132,304	72,702	506,079
31 Dec 2021	132,182	121	132,304	72,702	506,079
31 Dec 2022	**132,182**	**121**	**132,304**	**72,702**	**506,079**

DNA Plc has one class of shares. The total number of shares is 132,303,500 (132,303,500). The number of outstanding shares is 132,182,184 (132,182,184). On 31 December 2022, DNA Plc's share capital amounted to EUR 72,702,226. The shares do not have a nominal value, and all issued shares have been paid in full.

Reserve for invested unrestricted equity

The reserve for invested unrestricted equity includes other equity type investments and the subscription price of shares insofar as it has not been expressly recognised in the share capital.

Treasury shares

Treasury shares are presented separately in shareholders' equity. The treasury shares fund includes the acquisition costs of the company's treasury shares.

DNA holds a total of 121,316 treasury shares which represents 0.09 per cent of voting rights.

Parent company DNA Plc's distributable funds as at 31 December 2022

EUR thousands	31 Dec 2022
Treasury shares	–1,728
Retained earnings	96,780
Net result for the period	36,696
Total distributable funds	**131,748**

Dividend distribution

The Company has distributed dividends for the financial period ending 31 December 2021:	
EUR per share	1.52
Total, EUR thousands	200,917

23 Share-based payments

Long-term share incentive schemes for DNA senior executives and other key personnel

Telenor has a long-term share incentive scheme for top executives and critical experts, where they can earn a cash bonus of up to 15–30 per cent of annual base salary, which will be used to purchase Telenor's shares. Remuneration is granted on the basis of the profit development of the two years preceding the payment of the remuneration.

In addition, Telenor offers employees the opportunity to participate in the Employee Share Plan program, where employees are allowed to invest a certain portion of their annual salary in Telenor shares, and where they also have the opportunity to earn bonus shares based on Telenor share price performance.

There have been no share-based compensations during 2022.

Share-based payments

EUR thousands	2022	2021
Expense recorded	1,058	1,304

24 Employment benefit obligations

DNA Group’s employee pensions are managed by external insurance companies. The TyEL pension insurances is classified as a defined contribution plan and are managed by the pension insurance companies. DNA also has additional defined benefit plans for some employees. These plans are based on the final salary, and the persons covered receive a supplementary pension at the defined level. The size of the benefit at retirement is determined by factors such as years of service and compensation earned while in employment.

The liability recognised in the balance sheet for the defined benefit plans is determined as follows:

EUR thousands	2022	2021
Funded defined benefit obligation	2,475	3,603
Fair value of plan assets	–1,493	–2,090
Deficit	982	1,513
Liability recognised in the balance sheet	**982**	**1,513**

	Present value of obligation	Fair value of plan assets	Total
1 Jan 2021	**3,298**	**-2,142**	**1,156**
Current service cost	72		72
Interest cost/income (–)	13	–9	4
	85	**–9**	**76**
Remeasurements recognised:			
Return on plan assets, excluding interest cost/income		62	62
Actuarial gain or loss arising from changes in demographic assumptions	–4		–4
Gain or loss arising from changes in financial assumptions	189		189
Experience adjustments	141		141
	326	**62**	**388**
Contributions:			
Contribution paid by employer		–99	–99
Benefits paid:			
Benefits	–61	61	0
Settlements	–45	37	–8
31 Dec 2021	**3,603**	**–2,090**	**1,513**

	Present value of obligation	Fair value of plan assets	Total
1 Jan 2022	**3,603**	**–2,090**	**1,513**
Current service cost	69		69
Interest cost/income (–)	32	–19	13
	101	**–19**	**82**
Remeasurements recognised:			
Return on plan assets, excluding interest cost/income		631	631
Gain or loss arising from changes in financial assumptions	–856		–856
Experience adjustments	–307		–307
	–1163	**631**	**–532**
Contributions:			
Contribution paid by employer		–81	–81
Benefits paid:			
Benefits	–66	66	0
31 Dec 2022	**2,475**	**–1,493**	**982**

Significant actuarial assumptions:

	2022	2021
Discount rate	3.20%	0.90%
Inflation	2.60%	2.00%
Salary growth rate	3.60%	3.20%
Benefit growth rate	2.84%	2.30%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into a weighted average life expectancy in years for a pensioner at the retirement age of 65 as follows:

2022	Men	Women
Plan participants retiring at the end of the financial year	21	25
Plan participants retiring 20 years after the end of the financial year	22	27

2021	Men	Women
Plan participants retiring at the end of the financial year	21	25
Plan participants retiring 20 years after the end of the financial year	22	27

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions:

	Impact on defined benefit obligation		
2022	Change in assumption	Increase	Decrease
Discount rate	0.5%	–7.3%	8.2%
Salary growth rate	0.5%	1.1%	–1.1%
Pension growth rate	0.5%	6.9%	–6.2%

	Addition of one year in assumption
Life expectancy	4.1%

	Impact on defined benefit obligation		
2021	Change in assumption	Increase	Decrease
Discount rate	0.5%	–8.8%	10.0%
Salary growth rate	0.5%	1.6%	–1.6%
Pension growth rate	0.5%	8.1%	–7.2%

	Addition of one year in assumption
Life expectancy	5.0%

The above sensitivity analysis is based on a method where one actuarial assumption changes, but the others remain unchanged. In practice, this is unlikely, and some changes in assumptions may be correlated.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The Group is exposed to several risks in relation to the defined benefit plans, the most significant of which are described below.

Changes in the bond yields

According to the employer's IFRS reporting practice, the employer's obligations and liabilities depend on the bond yields on the reporting date. Decrease in yields increases liabilities and the payment obligation of pension benefits calculated according to IAS 19. However, since the employer is not subject to an investment risk in relation to the assets covering the liabilities, an increase in the yield of bonds will also have an effect on reported assets.

Inflation risk

The benefits paid in the plan are tied to the TyEL index, which depends on inflation (80 per cent) and a general salary index (20 per cent). High inflation increases the TyEL index, which in turn increases liabilities (IFRS) and annual contributions to the insurance company.

Salary risk

If the salary of an employee increases by more than the general salary index, the size of benefit will increase, which in turn will increase the benefit obligation, which increases the risk of higher contributions payable by the employer.

Life expectancy risk

As regards the life expectancy risk, the insurance company carries the risk related to actual life expectancy deviating from the expected life expectancy. Changes in life expectancy have an impact on the employer's obligations. The employer's risk in terms of changes in life expectancy only applies to future costs, whereas the insurance company carries the risk for benefits accrued by the change date.

Expected contributions to the post-employment benefit plan in 2023 are expected to total EUR 102 thousand.

The weighted average duration of the defined benefit obligation was 16 years (2021: 19 years, 2020: 19 years).

Undiscounted pension benefits are expected to mature as follows:

	Pension benefits		
EUR thousands	**2022**	**2021**	**2020**
Less than 1 year	71	63	42
1–5 years	436	410	309
5–10 years	541	554	486
10–15 years	558	566	506
15–20 years	591	594	509
Over 20 years	2,137	2,094	1,670
Total	**4,333**	**4,280**	**3,521**

25 Provisions

EUR thousands	1 Jan 2022	Additions	Provisions used	Reversals	31 Dec 2022
Asset retirement obligation	13,791	8	-	–2,648	11,151
Restructuring provision	396	196	–118	–112	362
Other provisions	208	34	-	-	243
Total	**14,396**	**238**	**–118**	**–2,761**	**11,756**

EUR thousands	1 Jan 2021	Additions	Provisions used	Reversals	31 Dec 2021
Asset retirement obligation	11,633	2,369	–210	-	13,791
Restructuring provision	200	196	-	-	396
Other provisions	208	-	-	-	208
Total	**12,041**	**2,565**	**–210**	**-**	**14,396**

EUR thousands	31 Dec 2022	31 Dec 2021
Non-current provisions	11,317	14,070
Current provisions	438	326
Total	**11,756**	**14,396**

Asset retirement obligation

The asset retirement obligation provision comprises the estimated dismantling and demolition costs of data centres, masts and telephone poles. The asset retirement period for telephone poles is estimated at 10 years, and 40 years for data centres and masts. The realization of the dismantling and demolition costs does not involve any significant uncertainties.

26 Borrowings

EUR thousands	2022	2021
Non-current borrowings		
Bonds	247,080	245,794
Other loans	223,350	68,096
Lease liabilities	124,964	144,706
Total	**595,395**	**458,597**
Current borrowings		
Lease liabilities	47,005	43,889
Total	**47,005**	**43,889**

DNA has a long-term credit rating BBB+ from Standard & Poor's Global Ratings and CreditWatch positive. The increase in borrowings was due to payment of dividends.

27 Net debt

EUR thousands	31 Dec 2022	31 Dec 2021
Non-current borrowings	595,395	458,597
Current borrowings	47,005	43,889
Total borrowings	642,400	502,486
Less cash and cash equivalents	8,432	10,817
Net debt	**633,967**	**491,669**

Change in net debt		Reported in cash flows from financing activities		
EUR thousands	**Cash**	**Current borrowings**	**Non-current borrowings**	**Net debt**
1 Jan 2021	**7,633**	**108,018**	**519,091**	**619,476**
Change in cash	3,184			–3,184
Proceeds from borrowings		-	95,000	95,000
Repayment of borrowings		–125,551	–140,000	–265,551
Other non-cash transactions		61,422	–15,495	45,928
31 Dec 2021	**10,817**	**43,889**	**458,597**	**491,669**
Change in cash	–2,385			2,385
Proceeds from borrowings		–6,899	259,654	252,755
Repayment of borrowings		–41,298	–110,000	–151,298
Other non-cash transactions		51,312	–12,856	38,457
31 Dec 2022	**8,432**	**47,005**	**595,395**	**633,967**

28 Trade and other payables

EUR thousands	2022	2021
Current financial liabilities carried at amortised cost		
Trade payables	116,985	120,569
Accrued expenses[1)]	86,784	84,376
Advances received	23,718	22,834
Contract liabilities	3,369	2,886
Other current liabilities	64,677	56,617
Total current liabilities	**295,533**	**287,281**

[1)] Accrued expenses comprise: holiday pay and bonuses including social expenses totaling EUR 24.4 million (23.8), interest expenses EUR 2.6 million (2.6), deferred income EUR 11.9 million (11.7), debt related to long-term incentive scheme EUR 0.3 million (0.4) as well as other accrued operative expenses EUR 47.5 million (45.6).

29 Fair value of borrowings

Non-current borrowings

	2022		2021	
EUR thousands	Carrying amount	Fair value	Carrying amount	Fair value
Bonds	247 080	233 779	245 794	259 103
Other borrowings	223 350	220 248	68 096	68 393
Lease liabilities	124 964	124 964	144 706	144 706
Total	**595 395**	**578 991**	**458 597**	**472 202**

Current borrowings

	2022		2021	
EUR thousands	Carrying amount	Fair value	Carrying amount	Fair value
Lease liabilities	47 005	47 005	43 889	43 889
Total	**47 005**	**47 005**	**43 889**	**43 889**

Fair value of borrowings has been calculated by discounting the expected cash flow of borrowings using the market interest rate at balance sheet date plus the company's risk premium. The market value of the bond is the average value of the year-end quoted prices from two banks.

30 Lease agreements

Amounts recognized in the balance sheet

Right-of-use assets

EUR thousands	Land and water	Buildings and constructions	Machinery and equipment	Other intangible assets	Total
31 Dec 2020					
Cost	4,882	203,031	2,236	100,248	310,397
Accumulated depreciation	–670	–38,970	–1,120	–20,582	–61,342
Net book value	**4,212**	**164,061**	**1,116**	**79,665**	**249,055**
1–12/2021					
Opening net book value	4,212	164,061	1,116	79,665	249,055
Additions and transfers	1,186	29,479	647	0	31,313
Disposals	–205	–2,838	–891	0	–3,934
Accumulated depreciation relating to disposals and transfers	205	2,838	891	0	3,934
Depreciation charge	–489	–40,420	–688	–6,217	–47,814
Closing net book value	**4,909**	**153,121**	**1,076**	**73,449**	**232,554**
31 Dec 2021					
Cost	5,864	229,672	1,992	100,248	337,776
Accumulated depreciation	–955	–76,552	–917	–26,799	–105,222
Net book value	**4,909**	**153,121**	**1,076**	**73,449**	**232,554**
1–12/2022					
Opening net book value	4,909	153,121	1,076	73,449	232,554
Additions and transfers	384	28,929	752	-	30,065
Disposals	–55	–1,481	–386	-	–1,922
Accumulated depreciation relating to disposals and transfers	55	1,481	386	-	1,922
Depreciation charge	–482	–40,276	–684	–6,217	–47,658
Closing net book value	**4,811**	**141,774**	**1,144**	**67,232**	**214,961**
31 Dec 2022					
Cost	6,193	257,120	2,358	100,248	365,919
Accumulated depreciation	–1,381	–115,346	–1,215	–33,016	–150,958
Net book value	**4,811**	**141,774**	**1,144**	**67,232**	**214,961**

The average weighted discount rate on 31 December 2022 was 2.3 per cent (0.6). Deferred tax assets on 31 December 2022 were EUR 0.6 million (0.1).

Lease liabilities

EUR thousands	2022	2021
Non-current	124,964	144,706
Current	47,005	43,889
Total	**171,969**	**188,596**

Amounts recognized in the statement of profit and loss

Depreciation charge of right-of-use assets

EUR thousands	2022	2021
Land and water	482	489
Buildings and constructions	40,276	40,420
Machinery and equipmet	688	688
Other intangible assets	6,217	6,217
Total	**47,662**	**47,814**

Interest expense

EUR thousands	2022	2021
Total	**2,059**	**905**

Expense relating to short-term leases[1)]

EUR thousands	2022	2021
Total	**2,758**	**1,937**

[1)] Short-term lease agreements consist mainly of lease agreements for premises. The commitment for the notice period is EUR 1.4 million (1.0).

Investment property

DNA has a fixed term lease agreement for the property in Mechelininkatu until the end of 2025. Part of the premises are used by the group and part is sub-leased.

The majority of the lease agreements are indefinite with a 6-month notice period. Additionally, some agreements are for a fixed term of 2–3 years. Different purposes of use form separate asset groups.

DNA as lessee: The property's original valuation of the lease agreement is treated in the balance sheet as an operative lease agreement as per IFRS 16.

DNA as lessor: as per IFRS 16, the property's premises rented to third parties are valued at fair value on the basis of the lease agreements. The fair value of the investment property is EUR 3.0 million (1.3). During 2022, rental income amounted to EUR 2.6 million (2.8).

31 Guarantees and contingent liabilities

In addition, DNA's agreements with some of its main suppliers contain minimum order quantities (units) for the contract period. As DNA has discretion over which models to purchase over the contract period and the price per unit varies, DNA is unable to estimate the exact EUR amount for these commitments.

Lease commitments relating to lease agreements are presented in note 30.

32 Related party transactions

DNA's related parties include the main shareholders which have significant influence over the group, subsidiaries, associated companies, joint arrangements and members of the Board of Directors and the management team, including the CEO and the deputy CEO as well as their close family members. In addition, related parties include all entities controlled or jointly controlled by a person identified as related party.

Subsidiaries and ownerships

Company	Country	Share of ownership	Share of votes
DNA Kauppa Oy	Finland	100%	100%
DNA Welho Oy	Finland	100%	100%
European Mobile Operator Oy	Finland	100%	100%
Moi Mobiili Oy	Finland	100%	100%
DNA Tower Finland Oy	Finland	100%	100%

A list of associated companies and joint operations is presented in note 16.

The following related party transactions were carried out

EUR thousands	Organisations exercising significant influence		Associated companies	
	1–12/2022	1–12/2021	1–12/2022	1–12/2021
Sales	4,215	3,397	-	-
Purchases	18,008	8,665	487	458
Dividend distribution	200,917	-	-	-
Group contribution	33,600	6,899	-	-
Receivables	86,311	28,291	-	-
Liabilities	258,357	72,211	-	-

Key management compensation

Company's key management comprises the Board of Directors and the Executive team.

EUR thousands	2022	2021
Salaries and other short-term employee benefits	3,162	3,012
Pension expenses – defined contribution plan and defined benefit plan	844	802
Share-based payments	761	553
Total	**4,767**	**4,367**

EUR thousands	2022	2021
CEO Jussi Tolvanen's salary and commissions		
Salary and commissions	364	189
Accrued pension expenses	16	16
Share-Based Compensation Plan (gross)	76	-
Total	**456**	**205**
CEO Jukka Leinonen's salary and commissions (until 10 Oct 2021)		
Salary and commissions	-	767
Accrued pension expenses	-	42
Share-Based Compensation Plan (gross)	-	319
Total	**-**	**1,128**

EUR thousands	2022	2021
Members and deputy members of the Board of Directors		
Kirsi Sormunen	-	17
Tero Ojanperä	-	17
Total	**-**	**34**

Those Board members who are non-independent of Telenor group, forgo their entitlement for the reward.

There were no loans given to the board members or the CEO.

Management's and CEOs' pension commitments

Members of the Group management are entitled to defined benefit pension at the age of 62 and the CEO and deputy CEO of the parent company at the age of 60. They have supplementary defined contribution plans.

Parent company income statement, FAS

EUR thousands	Note	1 Jan–31 Dec 2022	1 Jan–31 Dec 2022
Total revenues	1	**839,167**	**812,858**
Other operating income		**9,541**	**10,039**
Materials and services			
Purchases		–180,343	–156,289
Change in inventory		7,038	4,493
External services		–195,828	–198,161
Total materials and services		**–369,132**	**–349,957**
Employee expenses			
Salaries and commissions		–79,108	–79,736
Social expenses			
Pensions		–13,345	–14,285
Other social expenses		–2,701	–3,570
Total employee expenses		**–95,154**	**–97,591**
Depreciation, amortisation and impairment	2		
Depreciation and amortisation according to plan		–136,090	–138,416
Total depreciation, amortisation and impairment		**–136,090**	**–138,416**
Other operating expenses	3	**–184,105**	**–146,089**
Operating result		**64,227**	**90,844**

EUR thousands	Note	1 Jan–31 Dec 2022	1 Jan–31 Dec 2022
Finance income and expense	4		
Income from other investments		36	36
Other interest and financial income		815	481
Interest and other financial expenses		–7,478	–5,953
Total finance income and expense		**–6,627**	**–5,436**
Result before appropriations and tax		**57,600**	**85,409**
Appropriations	5		
Change in depreciation difference		–20,126	–29,488
Group contribution		10,068	–12,399
Total appropriations		**–10,058**	**–41,886**
Income tax expense	6	–10,845	–10,193
Net result for the period		**36,696**	**33,330**

Parent company balance sheet, FAS

EUR thousands	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
Intangible assets	7		
Intangible rights		59,244	65,659
Goodwill		79,376	85,935
Other capitalised expenditure		50,978	50,309
Prepayments and non-current assets under construction		5,722	6,644
Total intangible assets		**195,320**	**208,547**
Property, plant and equipment	7		
Land and water		439	439
Buildings and constructions		12,238	13,238
Machinery and equipment		271,864	287,391
Advances paid and construction in progress		22,006	29,743
Total tangible assets		**306,547**	**330,811**
Investments	8		
Holdings in Group companies		101,512	101,512
Shares in associated companies		3,982	3,982
Other shares and holdings		1,095	1,095
Total investments		**106,589**	**106,589**
Total non-current assets		**608,456**	**645,946**

EUR thousands	Note	31 Dec 2022	31 Dec 2021
Current assets			
Inventory			
Materials and supplies		45,256	38,217
Total inventory		**45,256**	**38,217**
Non-current receivables			
Trade receivables		51,420	44,006
Receivables from Group companies	9	6,000	6,000
Other receivables		6,396	7,270
Deferred tax asset	10	1,217	1,251
Total non-current receivables		**65,032**	**58,528**
Current receivables			
Trade receivables		193,627	178,755
Receivables from Group companies	9	68,429	43,322
Other receivables		1,008	1,196
Prepaid expenses	11	27,098	30,307
Total current receivables		**290,161**	**253,580**
Financial securities			
Other financial securities		235	91
Total financial securities		**235**	**91**
Cash and cash equivalents		**753**	**2,454**
Total current assets		**401,436**	**352,870**
Total assets		**1,009,892**	**998,816**

EUR thousands	Note	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES			
Equity	12		
Share capital		72,702	72,702
Treasury shares		–1,728	–1,728
Retained earnings		96,780	264,367
Result for the period		36,696	33,330
Total equity		**204,450**	**368,671**
Appropriations			
Depreciation difference		90,679	70,553
Total appropriations		**90,679**	**70,553**
Provisions	13	**3,962**	**4,932**

EUR thousands	Note	31 Dec 2022	31 Dec 2021
Liabilities			
Non-current liabilities	14		
Borrowings		250,000	250,000
Advances received		189	214
Intercompany borrowings		208,249	45,096
Other non-current liabilities		12,948	18,715
Deferred tax liability	10	404	585
Total non-current liabilities		**471,789**	**314,610**
Current liabilities			
Advances received		3,877	3,045
Trade payables		84,717	93,140
Liabilities to Group companies	15	62,965	59,903
Other current liabilities		17,048	14,286
Accrued expenses	16	70,406	69,677
Total current liabilities		**239,011**	**240,050**
Total liabilities		**710,801**	**554,660**
Total equity and liabilities		**1,009,892**	**998,816**

Parent company cash flow statement, FAS

EUR thousands	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
Cash flows from operating activities		
Net result for the period	36,696	33,330
Adjustments[1]	129,427	188,744
Change in net working capital[2]	11,349	13,591
Interest paid	–4,390	–5,183
Interest received	293	177
Dividends received	36	36
Other financial items	–593	–969
Income taxes paid	–7,294	–15,451
Net cash generated from operating activities	**165,524**	**214,275**
Cash flows from investments		
Investments in property, plant and equipment (PPE) and intangible assets	–109,576	–131,322
Proceeds from sale of PPE	348	580
Other investments	–143	–91
Short-term investments increase (–) / decrease (+)	–554	28,820
Net cash used in investing activities	**–109,925**	**–102,013**
Cash flows from financing activities		
Dividend distribution	–200,917	-
Proceeds from borrowings	266,224	95,000
Repayment of borrowings	–110,193	–205,053
Group contributions received	–12,399	3,871
Net cash used in financing activities	**–57,285**	**–106,182**

EUR thousands	1 Jan–31 Dec 2022	1 Jan–31 Dec 2021
Change in cash and cash equivalents	**–1,686**	**6,080**
Cash and cash equivalents at beginning of year	2,672	3,593
Cash and cash equivalents transferred in a business transfer	-	–7,000
Cash and cash equivalents at end of year	986	2,672
[1] Adjustments:		
Depreciation, amortisation and impairment	136,090	138,416
Gains and losses on disposals of non-current assets	160	–429
Other non-cash income and expense	–23,324	34,987
Finance income and expense	6,627	5,436
Income tax expense	10,845	10,193
Change in provisions	–971	141
Total adjustments	**129,427**	**188,744**
[2] Change in net working capital:		
Change in trade and other receivables	–20,712	–6,650
Change in inventories	–7,038	–4,493
Change in trade and other payables	39,099	24,735
Total change in net working capital	**11,349**	**13,591**

Parent company accounting principles, FAS

Information regarding the Group

The company is a part of the DNA Group. DNA Plc is the parent company of the DNA Group, domiciled in Helsinki.

Copies of the Consolidated Financial Statements are available online at www.dna.fi or at the Group parent company head office at Läkkisepäntie 21, 00620 Helsinki, Finland.

DNA Group is a part of the Telenor Group. DNA Plc is owned by Telenor Finland Holding Oy. Telenor ASA is the parent company of the Telenor Group. Copies of Telenor Group's Consolidated Financial Statements are available at Telenor head office at Snarøyveien 30, N-1360 Fornebu, Norway.

Valuation principles

Fixed assets

Intangible assets and property, plant and equipment are shown on the balance sheet as acquisition costs, less planned depreciation. Planned depreciation is recorded on a straight-line basis over the useful life of an asset.

The depreciation/amortisation periods are:

Intangible rights	1–20 years
Goodwill	4–20 years
Other intangible assets	3–10 years
Buildings	25 years
Constructions	10–25 years
Machinery and equipment	3–15 years

The depreciation period of the merger loss capitalised in the balance sheet is 20 years, based on management's view that the merger will generate economic benefits for a minimum of 20 years.

The company has made full increased depreciation for tax purposes in accordance with the Tax Relief Act in 2022.

Inventory valuation

Inventories are stated at the lower of acquisition cost or replacement cost or likely realisable value.

Financial assets

The company applies the valuation of financial assets under 5:2§ of the Accounting Act.

Research and development

Development expenditure is recognised as annual costs for the year in which it is incurred. Development expenditure expected to generate future economic benefits are capitalised under intangible assets and amortised over three years.

Pensions

The company's employee pensions are managed by an external insurance company. Pension contributions and other costs for the financial period are based on the actuary calculations. Expenditure on pensions is recognised as an expense for the year in which it is incurred.

Deferred tax

Deferred tax has been determined for temporary differences between tax bases of assets and their amounts in financial reporting, using the tax rates effective for future years confirmed on the balance sheet date. The balance sheet includes deferred tax asset and deferred tax liability at their estimated realisable amounts. The deferred tax asset comprises provisions, deferred depreciation and other temporary differences and the deferred tax liability comprises other temporary differences.

Comparability with prior period

Prior period figures are comparable with the financial period 2022.

Foreign currency translations

Items denominated in foreign currencies are translated using the Bank of Norway reference rates.

Group financing

The company is a part of Telenor group cash pool account system.

Parent company income statement notes, FAS

1 Total revenues

EUR thousands	2022	2021
Total revenues	**839,167**	**812,858**
Domestic	814,774	790,756
Foreign	24,393	22,102
Total	**839,167**	**812,858**
During the financial period, parent company employed personnel on average	**1,389**	**1,361**

2 Depreciation and amortisation

EUR thousands	2022	2021
Amortisation of intangible assets	50,808	49,498
Depreciation of tangible assets	85,282	88,918
Total	**136,090**	**138,416**
Total depreciation and amortisation	**136,090**	**138,416**

3 Other operating expenses

EUR thousands	2022	2021
Operating and maintenance costs	70,178	56,184
Rental costs	78,548	62,102
External services	9,911	5,190
Other cost items	25,468	22,613
Total	**184,105**	**146,089**

Auditor's fees

	2022	2021
Ernst & Young Oy		
Audit fees	151	329
Tax consulting	25	21
Other fees	142	99
Total	**318**	**449**

4 Finance income and expense

EUR thousands	2022	2021
Income from other non-current investments		
Dividends from associated companies	4	4
Dividends from others	32	32
Total	**36**	**36**
Other interest and finance income		
Interest income from group companies	315	304
Interest income from others	283	177
Finance income from others	217	-
Total	**815**	**481**
Other interest and finance expense		
Interest expense to group companies	2,264	-
Interest expense to others	3,455	3,803
Other finance expense	1,759	2,150
Total	**7,478**	**5,953**
Total finance income and expense	**–6,627**	**–5,436**

5 Appropriations

EUR thousands	2022	2021
Change in depreciation difference	–20,126	–29,488
Group contribution received	49,579	2,813
Group contribution given	–39,511	–15,212
Total	**–10,058**	**–41,886**

6 Income tax

EUR thousands	2022	2021
Direct taxes	11,007	10,427
Income tax from previous periods	–15	–1,372
Change in deferred tax asset	35	1,318
Change in deferred tax liability	–181	–181
Total	**10,845**	**10,193**

Parent company balance sheet notes, FAS

7 Non-current assets

EUR thousands	2022	2021
Development costs		
Acquisition cost 1 January	3,828	3,828
Disposals	–3,828	-
Acquisition cost 31 December	**0**	**3,828**
Accumulated amortisation 1 January	3,828	3,828
Accumulated amortisation relating to disposals	–3,828	-
Accumulated amortisation 31 December	-	3,828
Net book value 31 December	**0**	**0**
Intangible rights		
Acquisition cost 1 January	308,338	304,338
Transfers	3,278	4,000
Acquisition cost 31 December	**311,616**	**308,338**
Accumulated amortisation 1 January	242,679	232,363
Amortisation for the financial period	9,693	10,316
Accumulated amortisation 31 December	252,373	242,679
Net book value 31 December	**59,244**	**65,659**
Goodwill		
Acquisition cost 1 January	153,795	153,795
Acquisition cost 31 December	**153,795**	**153,795**
Accumulated amortisation 1 January	67,860	61,301
Amortisation for the financial period	6,559	6,559
Accumulated amortisation 31 December	74,419	67,860
Net book value 31 December	**79,376**	**85,935**

EUR thousands	2022	2021
Other non-current intangible assets		
Acquisition cost 1 January	327,052	290,171
Transfers	35,225	36,903
Disposals	–28,400	–22
Acquisition cost 31 December	**333,876**	**327,052**
Accumulated amortisation 1 January	276,743	244,142
Amortisation for the financial period	34,556	32,623
Accumulated amortisation relating to disposals	–28,400	–22
Accumulated amortisation 31 December	282,898	276,743
Net book value 31 December	**50,978**	**50,309**
Prepayments and non-current assets under construction		
Acquisition cost 1 January	6,644	6,812
Additions	37,581	40,735
Transfers	–38,503	–40,903
Acquisition cost 31 December	**5,722**	**6,644**
Total intangible assets	**195,320**	**208,547**

EUR thousands	2022	2021
Land and water		
Acquisition cost 1 January	439	713
Deductions due to business transfer	-	–256
Disposals	-	–18
Net book value 31 December	**439**	**439**
Buildings and constructions		
Acquisition cost 1 January	26,654	52,151
Additions	33	2,056
Transfers	2,804	3,641
Deductions due to business transfer	-	–30,924
Disposals	–1,981	–271
Acquisition cost 31 December	**27,510**	**26,654**
Accumulated depreciation 1 January	13,416	19,429
Depreciation for the financial period	1,856	2,827
Accumulated depreciation on deductions due to business transfer	-	–8,585
Accumulated depreciations on disposals	-	–256
Accumulated depreciation 31 December	15,272	13,416
Net book value 31 December	**12,238**	**13,238**

EUR thousands	2022	2021
Machinery and equipment		
Acquisition cost 1 January	1,490,293	1,416,637
Additions	505	-
Transfers	68,598	88,830
Deductions due to business transfer	-	–14,462
Disposals	–8,098	–713
Acquisition cost 31 December	**1,551,298**	**1,490,293**
Accumulated depreciation 1 January	1,202,902	1,125,611
Depreciation for the financial period	83,426	86,090
Accumulated depreciation on deductions due to business transfer	-	–8,205
Accumulated depreciations on disposals	–6,894	–594
Accumulated depreciation 31 December	1,279,434	1,202,902
Net book value 31 December	**271,864**	**287,391**
Prepayments and non-current assets under construction		
Acquisition cost 1 January	29,743	40,055
Additions	63,666	83,034
Deductions due to business transfer	-	–874
Disposals	–71,402	–92,472
Acquisition cost 31 December	**22,006**	**29,743**
Total property, plant and equipment	**306,547**	**330,811**

8 Investments

EUR thousands	2022	2021
Holdings in Group companies		
Net book value 1 January	101,512	98,338
Additions	-	3,174
Net book value 31 December	**101,512**	**101,512**
Shares in associated companies		
Net book value 1 January	3,982	3,982
Net book value 31 December	**3,982**	**3,982**
Other shares and holdings		
Net book value 1 January	1,095	1,098
Disposals	-	-3
Net book value 31 December	**1,095**	**1,095**
Parent company ownerships:		
Holdings in Group companies		
DNA Kauppa Oy	100%	100%
DNA Welho Oy	100%	100%
European Mobile Operator Oy	100%	100%
DNA Tower Oy	100%	100%

All group companies are included in the parent company consolidated financial statements.

EUR thousands	2022	2021
Interests in joint arrangements		
Suomen Yhteisverkko Oy	49%	49%
Shares in associated companies		
Suomen Numerot Numpac Oy	33.33%	33.33%
Kiinteistö Oy Otavankatu 3	36%	36%
Kiinteistö Oy Siilinjärven Toritie	38%	38%

Suomen Numerot Numpac Oy is included in the parent company consolidated financial statements.

9 Receivables from group companies

EUR thousands	2022	2021
Long-term loan receivables	6,000	6,000
Trade receivables	15,437	16,091
Prepaid expenses	3,413	2,030
Group account receivables	0	22,389
Group contribution receivables	49,579	2,813
Total	**74,429**	**49,322**

The company has issued a subordinated loan of EUR 6,000,000.00 under Chapter 12 of the Companies Act (624/2006) to Moi Mobiili Oy. The loan is recorded as a long-term debt in the receiving company and in DNA Plc it is recorded as a long-term receivable from group companies.

The maturity date of the loan is 20 March 2025. The annual interest rate is 5 per cent.

Repayment of the loan is subordinate to other debts and obligations in bankruptcy and liquidation. Otherwise, repayment of capital and payment of interest may be effected only to the extent that the amount of the company's unrestricted equity and all capital loans at the time of payment exceeds the amount of the loss recognized in the balance sheet for the latest financial year. If the interest payable on the subordinated loan cannot be paid, the interest shall be transferred to the first financial statement on the basis of which it can be paid. No capital or interest shall be secured.

10 Deferred tax asset and liability

EUR thousands	2022	2021
Deferred tax asset		
Deferred tax asset from provisions	484	542
Deferred tax asset from deferred depreciation	28	29
Deferred tax asset from temporary differences	705	680
Total	**1,217**	**1,251**
Deferred tax liability		
Deferred tax liability from loss on sale of bond	404	585
Total	**404**	**585**

11 Prepaid expenses

EUR thousands	2022	2021
Trade payables	10,457	12,112
Other receivables	10,059	7,915
Tax receivables	6,582	10,280
Total	**27,098**	**30,307**
Unrecognised costs		
Of the bond issue costs:		
remainder of the capitalised non-current deferred receivables	364	628
remainder of the capitalised current deferred receivables	264	264

12 Equity

EUR thousands	2022	2021
Share capital 1 January	72,702	72,702
Share capital 31 December	**72,702**	**72,702**
Treasury shares 1 January	–1,728	–1,728
Treasury shares 31 December	**–1,728**	**–1,728**
Retained earnings 1 January	297,697	264,367
Dividend distribution	–200,917	-
Retained earnings 31 December	**96,780**	**264,367**
Net result for the period	**36,696**	**33,330**
Total equity	**204,450**	**368,671**
Distributable funds		
Retained earnings	96,780	264,367
Net result for the period	36,696	33,330
Treasury shares	–1,728	–1,728
Total distributable funds	**131,748**	**295,969**

13 Provisions

EUR thousands	2022	2021
Estimated decommissioning costs of data centres and masts	2,543	2,844
Onerous contracts[1)]	815	1,485
Pension provision	166	276
Restructuring provision	196	118
Other provisions	243	208
Total provisions	**3,962**	**4,932**

[1)] The provision covers the under-utilised premises for the full agreement term until 2025.

14 Non-current liabilities

EUR thousands	2022	2021
Bonds	250,000	250,000
Loans from other group companies	208,249	45,096
Other long-term liabilities	12,948	18,715
Accrued expenses	189	214
Deferred tax liability	404	585
Total non-current liabilities	**471,789**	**314,610**

15 Liabilities to group companies

EUR thousands	2022	2021
Trade payables	5,262	2,554
Accrued expenses	8,711	9,521
Group account payables	9,480	32,616
Group contribution payables	39,511	15,212
Total liabilities to Group companies	**62,965**	**59,903**

16 Accrued expenses

EUR thousands	2022	2021
Holiday pay and bonuses	20,951	20,677
Interest expenses	2,637	2,637
Sales accruals	11,843	11,634
Other accruals	34,975	34,728
Total accrued expenses	**70,406**	**69,677**

17 Pledged assets and contingent liabilities

EUR thousands	2022	2021
Pledged assets		
Other obligations on behalf of Group companies		
Bank guarantees	1,580	1,416
Contingent liabilities and other liabilities		
Finance lease payments		
Payments due during the next financial period	471	399
Payments due at a later date	419	252
Total finance lease payments	**890**	**651**

Leasing contracts are made for three-year periods.

Other contractual obligations		
Leasehold commitments[1)]	73,619	76,144

1) Includes EUR 814 919 (1 485 140) for the non-voidable lease agreement reported under the provision for onerous contracts.

In addition, DNA's agreements with some of its main suppliers contain minimum order quantities (units) for the contract period. As DNA has discretion over which units to purchase over the contract period and the price per unit varies, DNA is unable to estimate the exact EUR amount for these commitments.

18 Related party transactions

Related party trade

DNA's related parties include the main shareholders which have significant influence over the group, subsidiaries, associated companies, joint arrangements and members of the Board of Directors and the management team, including the CEO and the deputy CEO as well as their close family members. In addition, related parties include all entities controlled or jointly controlled by a person identified as related party. The company acquires products sold to external parties from its related parties. Related party transactions are with same terms than transactions carried out with independent parties.

Key management compensation

EUR thousands	2022	2021
Remuneration of CEO Jussi Tolvanen (1 Jan–31 Dec 2022 and 11 Oct–31 Dec 2021)		
Wages and salaries	364	189
Share-based incentive scheme (gross)	108	-
Total	**472**	**189**
Remuneration of CEO Jukka Leinonen (1 Jan–10 Oct 2021)		
Wages and salaries	-	767
Share-based incentive scheme (gross)	-	319
Total	**-**	**1,086**
Members and deputy members of the Board of Directors		
Kirsi Sormunen	-	17
Tero Ojanperä	-	17
Total	**-**	**34**

Those Board members who are non-independent of Telenor group forgo their entitlement for the reward.

No loans have been granted to the Members of the Board of Directors or the CEO.

Members of the Executive team and the CEO and deputy CEO of the parent company are entitled to defined benefit pension at the age of 62.

They have supplementary defined contribution plans.

Signatures of the board of directors' report and financial statements

Helsinki 17 February 2023

Petter-Børre Furberg
Chair of the Board of Directors

Cecilie Heuch
Member of the Board of Directors

Thomas Thyholdt
Member of the Board of Directors

Jussi Tolvanen
CEO

Auditors' note

An auditors' report has been issued today on the performed audit.

Helsinki 17 February 2023

Ernst & Young Oy
Authorized Public Accountants

Terhi Mäkinen
Authorized Public Accountant

Auditors' Report

(Translation of the Finnish original)

To the Annual General Meeting of DNA Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DNA Plc (business identity code 0592509-6) for the year ended 31 December, 2022. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position as well as its financial performance and its cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Board of Directors.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 7 to the consolidated financial statements and note 3 to the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue Recognition *We refer to the Group's accounting policies and the note 5* DNA Group delivers goods and services which can be sold separately or bundled. There is an inherent risk around the accuracy of revenue recognized given the complexity of IT systems, high volume of customer contracts and transactions, and changing business and pricing models (tariff structures, incentive arrangements, discounts etc.). The application of revenue recognition accounting standards is complex and revenue recognition involves a number of key judgements and estimates. Revenue recognition was determined to be a key audit matter and a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2) due to the identified risk of material misstatement in revenue recognition.	Our audit procedures, addressing the significant risk of material misstatement related to revenue recognition, included amongst other: • assessing the application of group's accounting policies over revenue recognition and comparing the group's accounting policies over revenue recognition with applicable accounting standards; • testing the IT general controls and application controls over the main IT systems and applications that bill material revenue streams; • testing the revenue recognized including testing of group's controls on revenue recognition, when applicable. Our testing included among other tracing the information to agreements and testing cash receipts for a sample of customers back to the customer invoice on a sample basis; • testing the end-to-end reconciliation from billing system to accounting system; • testing the accruals for deferred and unbilled revenue; • assessing the revenue recognized with substantive analytical procedures and • assessing the group's disclosures on revenue recognition.
Valuation of Goodwill *We refer to the Group's accounting policies and the note 15* At the balance sheet date 31 December 2022, the value of goodwill amounted to EUR 339 million representing 20 % of total assets and 51 % of total equity (2021: EUR 339 million, 21 % of total assets and 44 % of total equity). The valuation of goodwill was a key audit matter as: • the management's annual impairment test is complex and involves judgments • the annual impairment test is based on market and economical assumptions • the goodwill balance is significant. The cash flows of the cash generating unit are based on the value in use. Changes in the assumptions used can significantly impact the value in use. The value in use is dependent on several assumptions such as the growth in net sales, development in EBITDA, discount rate and the long term growth rate used. Changes in these assumptions can lead to an impairment.	Our audit procedures included, among others, involving valuation internal specialists to assist us in evaluating the assumptions and methodologies used by the group including those related to forecasted net sales, EBITDA, the weighted average cost of capital and long term growth rate used in discounting the cash flows. We reviewed the sensitivity in the available headroom by cash generating unit and focused on whether any reasonably possible change in assumptions could cause the carrying amount to exceed its recoverable amount. We compared the historical forecasting of the group with actual outcome and we compared projections to the latest budgets approved by the board. We checked the mathematical accuracy of the underlying calculations. We compared the groups' disclosures related to impairment tests in note 15 in the financial statements with presentation requirements in applicable accounting standards and we reviewed the information provided on sensitivity analysis.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 28 March 2019, and our appointment represents a total period of uninterrupted engagement of 4 years.

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 17.2.2023

Ernst & Young Oy
Authorized Public Accountant Firm

Terhi Mäkinen
Authorized Public Accountant

Independent Auditor's Report on DNA Oyj's ESEF Consolidated Financial Statements

(Translation of the Finnish original)

To the Board of Directors of DNA Oyj

We have performed a reasonable assurance engagement on the iXBRL tagging of the consolidated financial statements included in the digital files DNAOYJ-2022-12-31-fi.zip of DNA Oyj for the financial year 1.1.–31.12.2022 to ensure that the financial statements are marked/tagged with iXBRL in accordance with the requirements of Article 4 of EU Commission Delegated Regulation (EU) 2018/815 (ESEF RTS).

Responsibilities of the Board of Directors and Managing Director

The Board of Directors and Managing Director are responsible for the preparation of the Report of Board of Directors and financial statements (ESEF financial statements) that comply with the ESESF RTS. This responsibility includes:

- preparation of ESEF-financial statements in accordance with Article 3 of ESEF RTS
- tagging the consolidated financial statements included within the ESEF- financial statements by using the iXBRL mark ups in accordance with Article 4 of ESEF RTS
- ensuring consistency between ESEF financial statements and audited financial statements

The Board of Directors and Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance with the requirements of ESEF RTS.

Auditor's Independence and Quality Control

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The auditor applies International Standard on Quality Control (ISQC) 1 and therefore maintains a comprehensive quality control system including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibilities

In accordance with the Engagement Letter we will express an opinion on whether the electronic tagging of the consolidated financial statements complies in all material respects with the Article 4 of ESEF RTS. We have conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000.

The engagement includes procedures to obtain evidence on:

- whether the tagging of the primary financial statements in the consolidated financial statements complies in all material respects with Article 4 of the ESEF RTS
- whether the tagging of the notes to the financial statements and the entity identifier information in the consolidated financial statements complies in all material respects with Article 4 of the ESEF RTS
- whether the ESEF-financial statements are consistent with the audited financial statements

The nature, timing and extent of the procedures selected depend on the auditor's judgement including the assessment of risk of material departures from requirements sets out in the ESEF RTS, whether due to fraud or error.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our statement.

Opinion

In our opinion the tagging of the consolidated financial statement included in the ESEF financial statement of DNA Oyj for the year ended 31.12.2022 complies in all material respects with the requirements of ESEF RTS.

Our audit opinion on the consolidated financial statements of DNA Oyj for the year ended 31.12.2022 is included in our Independent Auditor's Report dated 17.2.2023. In this report, we do not express an audit opinion any other assurance on the consolidated financial statements.

Helsinki 3.3.2023

Ernst & Young Oy
Authorized Public Accountant Firm

Terhi Mäkinen
Authorized Public Accountant

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