

Financial Statements Bulletin
2023

The logo consists of a solid magenta square with the letters "DNA" in white, bold, sans-serif font centered within it.

DNA

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DNA Plc's Financial Statements Bulletin 2023:**Total revenues exceed one billion
– EBITDA and operating result also increase****Summary**

Unless otherwise stated, the comparison figures in brackets refer to the corresponding period of the previous year. Figures are unaudited.

July–December 2023

- Total revenues grew by 8% and amounted to EUR 554 million (514).
- EBITDA increased by 12% and was EUR 201 million (180).
- The operating result increased by 36% and was EUR 107 million (79).
- Average revenue per user (ARPU)¹⁾:
 - ARPU for mobile subscriptions increased by 6% and was EUR 18.6 (17.5).
 - ARPU for fixed broadband grew by 3% and was EUR 16.7 (16.3).
 - ARPU for TV subscriptions increased by 13% and was EUR 10.0 (8.9).

January–December 2023

- Total revenues increased by 7% and amounted to EUR 1,067 million (997).
- EBITDA increased by 7% and was EUR 390 million (364).
- Operating result increased by 25% and was EUR 200 million (160).
- Average revenue per user (ARPU)¹⁾:
 - ARPU for mobile subscriptions grew by 5% and was EUR 18.2 (17.4).
 - ARPU for fixed broadband increased slightly and was EUR 16.5 (16.4).
 - ARPU for TV subscriptions increased by 15% and was EUR 9.8 (8.5).
- Number of subscriptions:
 - The number of mobile subscriptions²⁾ increased to 2,758,000 (2,750,000).
 - The number of fixed broadband subscriptions increased to 674,000 (642,000).
 - The number of TV subscriptions decreased to 216,000 (229,000).

1) ARPU = Monthly mobile revenues (company's subscriptions) and traffic revenues + interconnection / average number of subscriptions.

2) Postpaid, prepaid, mobile home phone ("Luuri") and mobile broadband subscriptions.

Key figures

EUR million	7–12/2023	7–12/2022	Change, %	1–12/2023	1–12/2022	Change, %
Total revenues	554	514	8	1,067	997	7
EBITDA	201	180	12	390	364	7
% of total revenues	36	35		37	37	
Depreciation, amortisation and impairment	94	102		190	204	
Operating result, EBIT	107	79	36	200	160	25
% of total revenues	19	15		19	16	
Net result before tax	97	72	34	183	151	21
Net result for the period	78	58	35	146	120	21
Return on investment (ROI), %	15	12		15	12	
Return on equity (ROE), %	22	18		22	17	
Capital expenditure	108	96	12	199	167	19
Cash flow after investing activities	73	51	43	163	99	65
Net debt	670	634	6	670	634	6
Net debt/EBITDA	1.7	1.8		1.7	1.7	
Net gearing, %	104	96		104	96	
Equity ratio, %	37	40		37	40	
Earnings per share, basic and diluted, EUR	0.59	0.44		1.11	0.91	
Personnel at the end of period	1,718	1,695	1	1,718	1,695	1

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CEO's review

DNA's financial figures for 2023 indicate that our business has developed favourably. DNA exceeded the one billion milestone for full-year total revenues for the first time ever when year-on-year total revenues grew by 7% to EUR 1,067 million (997). EBITDA increased by 7% to EUR 390 million (364), and the operating result rose by 25% to EUR 200 million (160). The number of mobile subscriptions increased on the comparison period and stood at 2,758,000 (2,750,000), while their ARPU increased to EUR 18.2 (17.4). The number of fixed broadband subscriptions increased on the comparison period and stood at 674,000 (642,000), while their ARPU increased to EUR 16.5 (16.4). The number of fixed telephony and TV subscriptions fell as expected.



DNA's growth as the fixed-network broadband market leader has continued, and demand for 5G services has accelerated. By the spring, DNA had already risen to second place in the Finnish mobile network subscription market. Our success is based on an excellent customer experience in high-quality networks and uncomplicated service at all stages of the customer relationship. In the autumn, DNA took the top spot for customer satisfaction among Finnish mobile operators in the EPSI Rating study. In December, we gave the media a demonstration of the capabilities of forthcoming 5.5G technology – such as download speeds of more than 10 gigabytes. The population coverage of our 5G network stood at 94% by the end of the year.

DNA won the Finnish Quality Award in November. This award is based on a thorough assessment of an organisation's operations by a group of independent experts using the international EFQM model. The assessment team praised our customer-driven approach and the successful implementation of our strategic plan in particular. Our personnel's commitment to DNA's values is reflected in our operations. So the biggest thanks for this award go to DNA personnel, who do top-quality work for our customers every day.

At DNA, we believe that employees are a company's most important asset. Humane leadership and a people-centric working environment enable better engagement, peak performance and creativity. In November, DNA achieved a second place in the People-centric Workplace Community category of Hälsa's HumanPower23 competition. Freedom, responsibility and trust are permanent aspects of DNA's culture.

However, 2023 was overshadowed by uncertainty both in our market and the world in general. In December, the Bank of Finland¹⁾ announced that the Finnish economy was in recession and would not begin to recover until the end of 2024. High inflation eroded consumers' purchasing power during 2023 and the most common reference interest rates remained high, which has in turn led to uncertainty in DNA's economic outlook. However, lower inflation and a potential fall in interest rates will improve household purchasing power, creating opportunities for economic recovery in the medium term.

In the autumn, damage to a gas pipeline and submarine cable was reported in the Baltic Sea. These events reminded us that Finland must be prepared for external sabotage. We must remain fully operational under all circumstances. DNA has engaged in long-term, systematic efforts to safeguard both domestic and international connections. We have several mutually reinforcing sea and land connections and, if necessary, satellite connections. We have also raised preparedness level through technical and administrative means.


Jussi Tolvanen
CEO

1) Bank of Finland 19 December 2023: The Finnish economy is in recession with no clear signs of recovery. Available at: <https://www.suomenpankki.fi/en/media-and-publications/releases/2023/finlands-economy-is-in-recession-and-the-recovery-will-be-slow/>

DNA Plc's Financial Statements Bulletin 2023

Operating environment in 2023

At the end of 2023, the Finnish telecommunications market remained characterised by tough competition between established operators. Russia's war of aggression in Ukraine is still causing global uncertainty, which is also being reflected in Finland's economic outlook in many ways. Comparatively high inflation has eroded consumers' purchasing power during 2023, and purchasing power has also been hit by a rise in the most common reference interest rates. However, lower inflation and a potential fall in interest rates may create opportunities for economic recovery in the medium term.

The need for strong information security and data protection was highlighted in 2023 as a result of the security policy situation, the digitalisation of our society, and more widespread use of digital networks and services. For example, DNA blocked 10 million scam calls to its customers during 2023. Information security, data protection and high operational network reliability are expected to play an even more important role in the future.

The pace of 5G construction in Finland remained brisk during 2023. At the end of the year, about 94% of the population already lived within 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. Outdated technology is also being phased out: the 3G network is being closed and old copper-based networks are being dismantled one area at a time. This work was still ongoing at the end of 2023.

Regulation

Several regulatory initiatives related to DNA's industry are pending both in Finland and the EU. They relate to the regulation of data, networks and data security. A compromise on the regulation of artificial intelligence was reached at EU level towards the end of the review period.

Regulatory amendments and decisions made by authorities may have significant impacts on DNA's business.

Total revenues and result

Consolidated key figures

EUR million	7–12/2023	7–12/2022	Change, %	1–12/2023	1–12/2022	Change, %
Total revenues	554	514	8	1,067	997	7
EBITDA	201	180	12	390	364	7
% of total revenues	36	35		37	37	
Operating result	107	79	36	200	160	25
% of total revenues	19	15		19	16	
Net result for the period	78	58	35	146	120	21

In July–December 2023, DNA's total revenues grew by 8% and amounted to EUR 554 million (514). 79% (77) of total revenues was generated by consumer business and 21% (23) by corporate business. EBITDA increased by 12% to EUR 201 million (180), or 36% of total revenues (35). The operating result increased by 36% to EUR 107 million (79). The operating result as a percentage of total revenues was 19% (15). The result for the financial period increased by 35% to EUR 78 million (58).

DNA's full-year total revenues for 2023 grew by 7% to EUR 1,067 million (997). 79% (76) of total revenues was generated by consumer business and 21% (24) by corporate business. EBITDA increased by 7% to EUR 390 million (364), or 37% of total revenues (37). The operating result increased by 25% to EUR 200 million (160). The operating result as a percentage of total revenues was 19% (16). The net result for the financial period increased by 21% to EUR 146 million (120).

Key operative indicators

	7–12/2023	7–12/2022	Change, %	1–12/2023	1–12/2022	Change, %
Number of mobile subscriptions ¹ at end of period	2,758,000	2,750,000	0	2,758,000	2,750,000	0
average revenue per user (ARPU), EUR	18.6	17.5	6	18.2	17.4	5
Number of fixed subscriptions ² at end of period	898,000	890,000	1	898,000	890,000	1

1) Postpaid, prepaid, mobile home phone ("Luuri") and mobile broadband subscriptions.

2) Fixed broadband, TV, and telephony subscriptions.

Cash flow and financial position

EUR million	7–12/2023	7–12/2022	Change, %	1–12/2023	1–12/2022	Change, %
Cash flow after investing activities	73	51	43	163	99	65

EUR million	1–12/2023	1–12/2022	Change, %
Net debt	670	634	6
Net debt/EBITDA	1.7	1.7	
Net gearing, %	104	96	
Equity ratio, %	37	40	

Cash flow after investing activities in January–December 2023 was EUR 163 million (99). Cash flow was impacted by a number of factors, such as improved profit and changes in working capital. Cash flow after investing activities was EUR 73 million (51) in the July–December period.

At the end of December, DNA had a EUR 295 million internal revolving credit facility, of which EUR 58 million (77) remained undrawn, and a EUR 56 million (46) Group overdraft.

Net gearing increased and stood at 104% (96) at the end of the year. Net gearing was affected by an increase in liabilities to Telenor Group.

DNA's liquidity is at a healthy level. DNA Group's liquid assets amounted to EUR 4 million (8). Net debt was EUR 670 million (634). The Group's liquid assets and undrawn committed credit facilities totalled EUR 118 million (131). In addition to liquid assets, DNA has cash pool receivables of EUR 134 million (85).

Changes in working capital had a EUR 19 million negative (-24) impact on cash flow. Growth in working capital was mainly attributable to higher trade receivables. The change in working capital in July–December was EUR 22 million negative (-3).

DNA has a strong balance sheet. At the end of the year, the net debt/EBITDA ratio was 1.7 (1.7) and the equity ratio was 37% (40).

Development per business segment

Consumer business

EUR million	7–12/2023	7–12/2022	Change, %	1–12/2023	1–12/2022	Change, %
Total revenues	440	395	11	844	762	11
EBITDA	166	141	18	327	284	15
% of total revenues	38	36		39	37	
Operating result	104	75	38	202	152	33
% of total revenues	24	19		24	20	

In July–December 2023, consumer business total revenues increased by 11% and came to EUR 440 million (395). EBITDA increased by 18% to EUR 166 million (141). The EBITDA percentage of total revenues was 38% (36). The operating result increased by 38% to EUR 104 million (75), or 24% of total revenues (19). The key figures were partly affected by the changes made to segment reporting at the beginning of 2023, as certain corporate business customers were transferred to the consumer business reporting segment.

In January–December 2023, consumer business total revenues increased by 11% and came to EUR 844 million (762). EBITDA increased by 15% to EUR 327 million (284). The EBITDA percentage of total revenues was 39% (37). The operating result increased by 33% to EUR 202 million (152), or 24% of total revenues (20). The full-year key figures were also affected by the changes made to segment reporting from the beginning of 2023.

In spring 2023, DNA rose to second place in the Finnish mobile network subscription market in terms of subscriptions, and also continued to grow as the market leader in fixed broadband thanks to its high-quality and reliable network.

In early 2023, DNA opened Vaihtokapula – an online store for secondhand phones that aims to boost the circular economy for smartphones. In March, DNA expanded its range of security services with DNA Browsing Security. This service makes browsing the internet on your phone safer by blocking malicious websites and phishing attempts. In May, DNA introduced a new variable pricing method in its telephone stores: Guaranteed Price provides both online and brick-and-mortar stores with information about competitors' price levels.

In September, DNA Browsing Safety was also made available to mobile broadband subscriptions. Safer browsing is now available not only for phones, but also for other devices connected to a mobile broadband subscription. The service does not require you to install a separate application on your main device, as it operates in DNA's mobile network. In November, DNA was the first company in the Nordic countries to launch an entertainment box that supports Dolby Atmos surround sound. DNA's new Entertainment Box will combine Google voice control and Dolby Vision with the Android TV-based open ecosystem that was used in the company's previous set-top boxes. The Entertainment Box will better meet consumers' entertainment needs.

DNA's excellent customer experience is boosting the company's long-term success. In a study by the independent organisation EPSI Rating, DNA took the top spot in customer satisfaction among Finnish mobile operators in autumn, leading the pack with both consumers and corporate customers.

Corporate business

EUR million	7–12/2023	7–12/2022	Change, %	1–12/2023	1–12/2022	Change, %
Total revenues	114	119	-4	223	235	-5
EBITDA	35	39	-10	63	80	-22
% of total revenues	31	33		28	34	
Operating result	3	3	2	-3	9	-130
% of total revenues	3	3		-1	4	

In July–December 2023, corporate business total revenues were down by 4% and amounted to EUR 114 million (119). EBITDA decreased by 10% to EUR 35 million (39). The EBITDA percentage of total revenues was 31% (33). The operating result increased by 2% to EUR 3 million (3), or 3% of total revenues (3). Key figures weakened as a result of changes made to segment reporting from the beginning of 2023, as certain corporate business customers were transferred to the consumer business reporting segment.

In January–December 2023, corporate business total revenues decreased by 5% and came to EUR 223 million (235). EBITDA decreased by 22% to EUR 63 million (80). The EBITDA percentage of total revenues was 28% (34). The operating result fell by 130% to EUR -3 million (9), or -1% of total revenues (4). The full-year key figures were also negatively impacted by the changes made to segment reporting from the beginning of 2023.

Year 2023 was a steady period of positive changes in DNA's corporate business. Customers had increased confidence in DNA's services. DNA gained new corporate customers and existing customers expanded their use of the company's services. Customer churn remained at a moderate level throughout the year despite intense competition.

Customers have been increasingly interested in information security and continuity management services, and DNA offered both powerful new and revamped information security services in cooperation with major operators in the sector. DNA's corporate information security expertise was also recognised during 2023 when Fortinet named DNA as its *EMEA MSSP Partner of the Year* in April as a result of the company's successful cooperation with Fortinet's Managed Security Services (MSSP).

Interest in sustainability perspectives and user friendliness continued to rise among our corporate customers. DNA responded by providing companies with Device as a Service (DaaS) and further developing this service to meet their needs. Device as a Service provides companies with an easy way to manage the lifecycle of a device – all the way from deployment settings and secure use to effective recycling.

Winning the 2023 Finnish Quality Award was another pleasing event in DNA's corporate business, and the feedback from the assessment round preceding the award will be systematically utilised in further developing the company's business. Business developments were also steered by direct recognition from customers and top placements in a sustainability and customer satisfaction study of Finnish mobile operators commissioned by EPSI Rating.

Capital expenditure

Capital expenditure comprises additions to property, plant and equipment, and intangible assets, excluding business acquisitions and asset retirement obligations. Capital expenditure includes annual cash instalments for capitalised spectrum licences.

EUR million	7–12/2023	7–12/2022	Change, %	1–12/2023	1–12/2022	Change, %
Consumer business	81	63	27	137	107	28
Corporate business	27	33	-18	62	60	4
Total capital expenditure	108	96	12	199	167	19

EUR million	7–12/2023	7–12/2022	Change, %	1–12/2023	1–12/2022	Change, %
Operative capital expenditure ¹⁾	76	80	-5	145	137	6
% of total revenues	14	16		14	14	
Lease investments (IFRS 16)	32	17	90	54	30	81
Total capital expenditure	108	96	12	199	167	19

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

In the July–December period, capital expenditure increased by 12% to EUR 108 million (96). Operative capital expenditure decreased by 5% year-on-year and amounted to EUR 76 million (80), or 14% of total revenues (16).

In January–December 2023, capital expenditure grew by 19% and came to EUR 199 million (167). Operative capital expenditure increased by 6% year-on-year and amounted to EUR 145 million (137), or 14% of total revenues (14).

Major individual items included in capital expenditure for 2023 were mobile network capacity expansion and development, fibre optic networks, and transmission and IT systems. The increase in rental investments relates to the expansion of Finnish Shared Network Ltd's operations.

Network infrastructure and new technologies

DNA continued to make major investments in network infrastructure during 2023. In December, 5G services were already available in almost 240 cities and towns, with more than 5 million people covered by the network – so about 94% of the population. The entire mobile network is being updated in conjunction with the construction of the 5G network. 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 total, an average of 55.7 GB of data per subscription was transferred monthly in DNA's mobile network during the last quarter of 2023.

The new 5.5G standard will be released for commercial use in early 2024. In December 2023, DNA organised an open event for the media at its head office in Käpylä, Helsinki, where 5.5G's new technical capabilities and opportunities for consumer and corporate customers were presented. The upgrade, dubbed 5.5G or 5G Advanced, is the next stage in 5G technology on the way to the 6G era. It takes mobile network technology one step further in terms of capability, offering several new features that will benefit consumer and corporate users. DNA has already used the technology to test speeds of more than 10 gigabits per second in its commercial mobile network.

Finnish Shared Network Ltd, a company jointly owned by DNA and Telia, made extensive expansions to its 5G network in Eastern and Northern Finland during 2023. This work has mostly progressed well, which can be seen in the 5G network's increased population and geographical coverage.

In 2021, DNA announced that the company would be shutting down its 3G network in stages during 2023. During the year, DNA shut down its 3G network in Kanta-Häme, Päijät-Häme, Southwest Finland and Uusimaa, with the exception of the Helsinki Metropolitan Area. The network in Hyvinkää was closed for testing in May. In January 2024 (after the review period), the network was also closed in the Helsinki Metropolitan Area, South Ostrobothnia, Central Ostrobothnia, Central Finland, Pirkanmaa, Ostrobothnia and Satakunta. The 3G shutdown will simplify network architecture, free up frequencies for newer technologies and lower relative electricity consumption.

DNA's copper-based network was extensively dismantled in Satakunta, Southwest Finland and Eastern Finland during 2023. Back in 2021, DNA announced that it will replace its remaining copper-based networks with modern solutions by 2025. This work will be carried out in stages in municipalities where DNA provides services that use the copper-based network. By the end of 2023, DNA had just over a thousand consumer customers in Finland who still used copper-based broadband. The company has announced that the last of these services will be terminated at the end of March 2024. DNA's copper-based network customers will be steered towards replacement services during the project.

DNA is also modernising its cable network to free up frequencies from less-widely used broadband services, such as commercial FM radio stations and DVB-T broadcasts. By late 2023, commercial FM radio stations were no longer being broadcast in the cable network. DVB-T broadcasts will also cease in the cable network by the end of 2025. However, Yle's FM stations will still be broadcast in DNA's cable network even though commercial channels will be discontinued.

DNA has continued to make appropriate investments in the fibre optic network as well, so that customers can enjoy an extensive gigabit-class fixed network both now and in the future. DNA's efforts as a provider of secure software-based network solutions were recognised by Fortinet in 2023, when DNA received the *EMEA Managed Security Service Provider of the Year* award.

Personnel

	31 December 2023	31 December 2022	Change, %
Consumer business	962	949	1
Corporate business	756	746	1
Total personnel	1,718	1,695	1

At the end of 2023, DNA Group had 1,718 employees (1,695), of whom 654 were women (659) and 1,064 men (1,036). Salaries and employee benefit expenses paid during 2023 amounted to EUR 130 million (118).

Freedom, responsibility and trust have been at the core of DNA's work culture for more than ten years. They have developed substantially during that period, and have become an integral part of what it means to work at DNA. The importance of a humane approach to employees' ability to cope at work has also become an important focus area alongside these core concepts. These concepts were also widely covered in different campaigns by various media.

In January, DNA announced that the company would recruit all of its summer employees without requesting a CV or traditional application letter. This was an extensive recruitment effort, as a total of about a hundred summer employees were required. As a responsible employer, DNA wanted to reduce the already high workload faced by summer jobseekers. It also improved the applicant experience and made the process more equal.

In May, DNA announced that the company had managed to renew its Family-Friendly Workplace Certificate for a second time. This certificate, issued by the Family Federation of Finland, indicates that an employer is committed to implementing family-friendly values and social responsibility. DNA first received this certificate in 2018. It is valid for three years at a time, and the Family Federation of Finland regularly assesses the realisation and development of family-friendliness.

In June, DNA announced that the company's new head office will be located in Ilmala in Helsinki, which is currently under construction. About a thousand DNA employees will move to the new head office in the Ilmala district of Helsinki in summer 2024. Ilmala's modern premises will provide DNA personnel with an inspiring place to come together – one that better supports their wellbeing and sense of community, but also offers them quiet spaces for focused work.

In November, DNA won the Finnish Quality Award in recognition of its excellence and efforts to build sustainable competitiveness. The grounds for the award note DNA's particular strengths as customer orientation and an ability to turn top-level strategy into practical goals and good results. The assessment team concluded that DNA is a strongly value-driven company in which personnel are committed to the company's values of being fast, bold and straightforward, which are widely reflected in its operations.

In November, DNA also came second in the People-centric Workplace Community category of Hälsa's HumanPower23 competition. The jury interviewed ten random employees from each of the ten finalists to support its decision. DNA received a special mention from the jury for putting personnel at the centre of everything the company does and for making employees genuinely proud of their workplace.

DNA also understands 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 2023, DNA was an official partner of Helsinki Pride for the fifth year running.

Significant litigation matters

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

Decisions of DNA Plc's shareholder on matters to be dealt with by the AGM in 2023

DNA's sole shareholder, Telenor Finland Holding Oy, decided to make the decisions belonging to the 2023 General Meetings without holding an Annual or Extraordinary General Meetings. The decisions were made legally, in accordance with Chapter 5 Section 1 of the Companies Act.

- On 30 March 2023, it was decided to approve the consolidated financial statements and the parent company's financial statements for the financial year 1 January to 31 December 2022. At the same time, it was decided that the company will pay a dividend of EUR 0.76 per share for the financial year ending 31 December 2022. Based on the number of shares on 31 December 2022, a total dividend of EUR 100,458,459.84 was paid. 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 for the financial year 1 January–31 December 2022. It was decided that the Board shall have three members as of 30 March 2023. **Petter-Børre Furberg** was elected as the Chair of the Board, and **Thomas Thyholdt** and **Cecilie Heuch** as Members. Authorised Public Accountants Ernst & Young was chosen as the company's auditor, with **Mikko Järventausta**, Authorised Public Accountant, as the principal auditor.
- On 29 September 2023, **Jørgen C. Arentz Rostrup** was elected as a new member and Chair of the Board as of 1 October 2023, when **Petter-Børre Furberg** left the Board. No other changes were made to the Board.
- On 28 December 2023, **Mette Eistrøm Krüger** was elected as a new member of the Board as of 1 January 2024. **Jørgen C. Arentz Rostrup** (Chair) and **Thomas Thyholdt** continued as members of the Board.

Sustainability

During 2023, DNA promoted its sustainability programme and targets as part of the Telenor Group. These efforts were highly successful, and DNA will continue to work on and develop areas such as responsibility in the supply chain, human rights, and good governance. DNA also entered into two new partnerships. DNA will promote the digital skills of immigrant girls in cooperation with Plan International Finland, and those of seniors in cooperation with the Finnish Association for the Welfare of Older Adults (VTKL). In early 2023, DNA opened Vaihtokapula, an online store for used smartphones, in order to boost the circular economy for smartphones. DNA also blocked more than 10 million scam calls in 2023.

In early July, DNA announced that the company had made a considerable investment in the domestic production of green energy by signing a ten-year purchase agreement for Finnish wind power. All of the electricity directly purchased by DNA is renewable and, under the new agreement, more than 80% of it will come from Exilion Tuuli's wind farm in Finland. The Palokangas wind farm in Ii is scheduled for completion in late 2024, and DNA will begin purchasing electricity in 2025. The purchase agreement will help DNA to reach the ambitious climate targets set by its owner, Telenor. Telenor has committed to achieving a net-zero emissions target in accordance with the international Science Based Targets framework.

In September, DNA also signed a comprehensive Voluntary Energy Efficiency Agreement, made between central government and a variety of commercial sectors. The current contractual period runs from 2017 to 2025, and DNA is committed to achieving a 7.5% improvement in its energy efficiency by 2025 compared to the 2022 baseline.

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.

Economic uncertainty is expected to continue. High inflation has eroded consumers' purchasing power and the most common reference interest rates are high, which has in turn led to uncertainty in DNA's economic outlook. However, lower inflation and a potential fall in interest rates may create opportunities for economic recovery in the medium term.

Cybersecurity threats have increased over the past few years due to changes in the security policy environment, the digitalisation of our society, and more widespread use of digital networks and services. Information security, data protection and high operational network reliability are expected to play an even more important role in the future. There are uncertainties surrounding supply chains and the availability of components required for network construction. The nature of DNA's operations and customer requirements are also placing high demands on the quality and reliability of the company's information systems and network infrastructure. We focus on security risk management and business continuity planning as part of regular maintenance and development.

International players have a strong presence in the competitive environment for 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. Media companies' own distribution channels and services also play a major role.

DNA makes significant investments in high-quality data systems and data analytics tools to create a good omnichannel customer experience and deepen its customer understanding. 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. The current security policy situation may necessitate new regulations or the tightening of current regulations. It may also lead to stricter interpretations from regulatory bodies.

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.

Changes in DNA's Executive Team in 2023

On 28 November 2022, DNA announced that **Anna-Mari Ylihurula**, MSc (Tech), eMBA, had been appointed Senior Vice President, Corporate Business, and a member of the Executive Team. She started in her new position in August 2023. Until then, **Pekka Väisänen** was Acting SVP, Corporate Business alongside his other duties as DNA's SVP, Consumer Business.

On 17 February 2023, DNA announced that **Taneli Ropponen** had joined DNA's parent company, Telenor Nordic, and would therefore be leaving his position as DNA's Acting CIO and a member of the Executive Team, which he had held since September 2022. **Vesa Savolainen**, Director of BSS & CRM at DNA, was appointed as the new Acting CIO and a member of the Executive Team as of 1 March 2023.

On 28 April 2023, DNA announced that **Timo Kipinoinen**, MSc (Econ) had been appointed CFO and a member of the Executive Team. He started in his new position in May 2023. Kipinoinen had been Acting CFO and a member of the Executive Team since October 2022.

On 28 April 2023, DNA also announced that **Sari Leppänen**, PhD, had been appointed CIO and a member of the Executive Team. She took up her new position in August 2023.

DNA's financial reporting in 2024

DNA will publish a half-year (January–June) financial report, a financial statements bulletin, and the financial statements for the 2024 financial year. For the January–March and January–September periods, DNA publishes business reviews (including the CEO's review) and certain financial and operative key figures as a press release.

DNA will publish the following financial reports in 2024:

- **30 April 2024:** Business review for January–March 2024 (as a press release only)
- **18 July 2024:** Half-Year Report January–June 2024
- **30 October 2024:** Business review for January–September 2024 (as a press release only)

A digital version of the Annual Report containing the full Financial Statements for 2023 will be published no later than the week starting 4 March 2024 (week 10/2024).

Due to delisting of DNA's share from Nasdaq Helsinki on 3 February 2020, 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 senior unsecured fixed rate notes due 2025 (ISIN: FI4000312095) listed in Nasdaq Helsinki stock exchange.

Group key figures

	7–12/2023	7–12/2022	1–12/2023	1–12/2022
Earnings per share, basic and diluted, EUR	0.59	0.44	1.11	0.91
Equity per share, EUR	4.86	5.02	4.86	5.02
Shares outstanding at the end of the period, thousands	132,182	132,182	132,182	132,182
Weighted average adjusted number of shares during the financial period, basic, thousands	132,182	132,182	132,182	132,182
Weighted average adjusted number of shares during the financial period, diluted, thousands	132,182	132,182	132,182	132,182
Net debt, EUR thousands	670,176	633,967	670,176	633,967
Net gearing, %	104	96	104	96
Equity ratio, %	37	40	37	40
Net debt/EBITDA	1.7	1.8	1.7	1.7
Return on investment (ROI), %	15	12	15	12
Return on equity (ROE), %	22	18	22	17
Capital expenditure, EUR thousands	107,759	96,499	199,346	167,353
Capital expenditure, % of total revenues	19	19	19	17
Personnel at the end of period	1,718	1,695	1,718	1,695

Calculation of key figures

Earnings per share (EPS), EUR	= $\frac{\text{Net result for the period}}{\text{Weighted number of shares during the financial period excluding treasury shares}}$
Equity per share, EUR	= $\frac{\text{Equity attributable to the owners of the parent company}}{\text{Number of outstanding shares at end of period}}$
Net debt, EUR	= Non-current and current borrowings – cash and cash equivalents
Net gearing, %	= $\frac{\text{Non-current and current borrowings – cash and cash equivalents}}{\text{Total equity}}$
Equity ratio, %	= $\frac{\text{Total equity}}{\text{Total assets – advances received}}$
EBITDA, EUR	= Operating result (EBIT) + depreciation, amortisation and impairments
Return on investment (ROI), % ¹⁾	= $\frac{\text{Net result before income taxes + finance expense}}{\text{Total equity + borrowings (average for the period)}}$
Return on equity (ROE), % ¹⁾	= $\frac{\text{Net result for the period}}{\text{Total equity (average for the period)}}$
Net debt/EBITDA ¹⁾	= $\frac{\text{Net debt}}{\text{Operating result + depreciation, amortisation and impairments}}$
Cashflow after investing activities, EUR	= Net cash generated from operating activities + net cash used in investing activities
Capital expenditure, EUR	= Capital expenditure comprises additions to property, plant and equipment and intangible assets excluding business acquisitions, gross acquisition cost of spectrum license and additions through asset retirement obligations and including spectrum licenses capitalized during the reporting period.
Operative capital expenditure, EUR	= Operative capital expenditure is reported capital expenditure without capitalized spectrum licenses and lease investments (IFRS 16).

1) 12-month adjusted

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.

EBITDA is presented as a complementing measure to the measures included in the consolidated income statement because, in DNA's view, it increases 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.

Consolidated income statement

EUR thousands	7–12/2023	7–12/2022	1–12/2023	1–12/2022
Total revenues	554,317	514,357	1,067,067	997,059
Materials and services ¹⁾	-174,150	-163,623	-323,613	-300,139
Employee benefit expenses ¹⁾	-63,894	-58,599	-129,650	-117,904
Depreciation, amortisation and impairments	-94,230	-101,559	-190,389	-203,810
Other operating expenses ¹⁾	-115,063	-112,015	-223,822	-215,001
Operating result	106,980	78,562	199,594	160,206
Finance income	961	457	2,407	748
Finance expense	-11,047	-6,559	-19,351	-9,976
Share of associates' results	25	4	27	14
Net result before income tax	96,919	72,464	182,676	150,991
Income tax expense	-18,669	-14,367	-36,519	-30,672
Net result for the period	78,250	58,097	146,157	120,319
Attributable to:				
Owners of the parent company	78,250	58,097	146,157	120,319
Earnings per share for net result attributable to the owners of the parent company:				
Earnings per share, basic and diluted, EUR	0.59	0.44	1.11	0.91

¹⁾ The presentation of certain income statement items above differ from that presented in the financial statements for 2022 and in the half-year financial report for January-June 2023 with regard to the classification of materials and services, employee benefit expenses and other operating expenses. The reclassification was done in order to align the reporting of these items to the figures published by the Telenor Group for DNA. The figures for the comparison periods have been restated accordingly.

For the full year 2022, the reclassification resulted in a decrease of material and service expenses in the amount of EUR 96.6 million, in an increase of employee benefit expenses in the amount of EUR 2.2 million and in an increase of other operating expenses in the amount of EUR 94.4 million. For July-December 2022, the reclassification resulted in a decrease of material and service expenses in the amount of EUR 48.3 million, in an increase of employee benefit expenses in the amount of EUR 1.1 million and in an increase of other operating expenses in the amount of EUR 47.2 million. For January-June 2023, the reclassification decreased the previously reported material and service expenses by EUR 61.8 million and increased other operating expenses by the same amount.

The most significant reclassified items were related to commission payments and operation and maintenance costs. The change in presentation did not affect reported revenues, operating result or other key figures.

Notes are an integral part of the Financial Statements Bulletin.

Consolidated statement of comprehensive income

EUR thousands	7–12/2023	7–12/2022	1–12/2023	1–12/2022
Net result for the period	78,250	58,097	146,157	120,319
Items that will not be reclassified to profit or loss:				
Remeasurements of post-employment benefit obligations, net	106	84	170	426
Other comprehensive income, net of tax	106	84	170	426
Total comprehensive income	78,356	58,181	146,326	120,744
Attributable to:				
Owners of the parent company	78,356	58,181	146,326	120,744

Notes are an integral part of the Financial Statements Bulletin.

Consolidated statement of financial position

EUR thousands	31 December 2023	31 December 2022
ASSETS		
Non-current assets		
Goodwill	338,706	338,706
Other intangible assets	118,416	122,492
Property, plant and equipment	462,348	453,371
Right-of-use assets	219,742	214,961
Investments in associates	1,276	1,249
Other investments	111	111
Other receivables	93,193	86,584
Deferred tax assets	6,659	7,113
Total non-current assets	1,240,451	1,224,587
Current assets		
Inventories	38,574	45,256
Trade and other receivables	430,164	374,472
Contract assets	859	845
Income tax receivable	9,413	9,939
Accrued expenses	21,607	21,845
Cash and cash equivalents	3,526	8,432
Total current assets	504,141	460,790
Total assets	1,744,592	1,685,377
EQUITY		
Equity attributable to the owners of the parent company		
Share capital	72,702	72,702
Reserve for invested unrestricted equity	506,079	506,079
Treasury shares	-1,728	-1,728
Retained earnings	-81,125	-34,300
Net result for the period	146,157	120,319
Total equity	642,085	663,072
LIABILITIES		
Non-current liabilities		
Borrowings	497,225	470,431
Lease liability	132,890	124,964
Employment benefit obligations	771	982
Provisions	10,820	11,317
Deferred tax liabilities	67,358	59,818
Other non-current liabilities	11,234	11,817
Total non-current liabilities	720,297	679,329
Current liabilities		
Lease liability	43,588	47,005
Contract liabilities	2,518	3,369
Provisions	375	438
Trade and other payables	334,963	292,164
Income tax liability	767	-
Total current liabilities	382,210	342,976
Total equity and liabilities	1,744,592	1,685,377

Notes are an integral part of the Financial Statements Bulletin.

Consolidated statement of cash flows

EUR thousands	1–12/2023	1–12/2022
Cash flows from operating activities		
Net result for the period	146,157	120,319
Adjustments ¹⁾	242,987	240,884
Change in net working capital ²⁾	-18,514	-23,935
Dividends received	20	36
Interest paid	-7,569	-4,472
Interest received	1,296	453
Other financial items	-478	-2,902
Income taxes paid	-10,482	-26,526
Net cash generated from operating activities	353,416	303,858
Cash flows from investing activities		
Investments in property, plant and equipment (PPE) and intangible assets	-142,106	-147,915
Disposals of non-current assets	65	350
Other investments	-62	-143
Group account receivable	-48,714	-57,645
Net cash used in investing activities	-190,817	-205,353
Cash flows from financing activities		
Dividends paid	-100,458	-200,917
Payment of group contributions	-33,600	-6,899
Proceeds from borrowings	117,000	259,654
Repayment of borrowings	-100,423	-111,429
Repayment of lease liability	-50,024	-41,298
Net cash used in financing activities	-167,506	-100,889
Change in cash and cash equivalents	-4,907	-2,385
Cash and cash equivalents at the beginning of period	8,432	10,817
Cash and cash equivalents at the end of period	3,526	8,432
¹⁾ Adjustments:		
Depreciation, amortisation and impairment	190,389	203,810
Gains and losses on disposals of non-current assets	-47	153
Other non-cash income and expense	-27	-14
Finance income and expense	16,944	9,435
Income tax expense	36,519	30,672
Change in provisions	-792	-3,171
Total adjustments	242,987	240,884
²⁾ Change in net working capital:		
Change in trade and other receivables	-21,700	-32,907
Change in inventories	6,682	-7,038
Change in trade and other payables	-3,496	16,010
Total change in net working capital	-18,514	-23,935

Notes are an integral part of the Financial Statements Bulletin.

Consolidated statement of changes in equity

EUR thousands	Share capital	Reserve for invested unrestricted equity	Treasury shares	Retained earnings	Total equity
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				426	426
Total comprehensive income	-	-	-	120,744	120,744
Transactions with owners					
Share-based payments				715	715
Dividend distribution				-200,917	-200,917
Group contribution				-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
1 Jan 2023	72,702	506,079	-1,728	86,019	663,072
Comprehensive income					
Net result for the period				146,157	146,157
Other comprehensive income					
Total other comprehensive income, net of tax				170	170
Total comprehensive income	-	-	-	146,326	146,326
Transactions with owners					
Share-based payments				625	625
Dividend distribution				-100,458	-100,458
Group contribution				-67,480	-67,480
Total transactions with owners	-	-	-	-167,313	-167,313
31 Dec 2023	72,702	506,079	-1,728	65,032	642,085

Notes are an integral part of the Financial Statements Bulletin.

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1 Accounting principles

This Financial Statements Bulletin has been prepared in accordance with IFRS regulations and measurement principles and complies with the requirements of the IAS 34 standard. The information has been prepared in accordance with International Financial Reporting Standards, as approved for application throughout the European Union. The accounting principles are identical to those applied to the Financial Statements of 31 December 2022, with the exception of new and amended standards effective as of 1 January 2023 which have not had an impact on the Group. This report should be read in connection with the 2022 Financial Statements. The information presented in the report is unaudited.

Change in presentation method

The presentation of certain income statement items in this Financial Statements Bulletin differ from that of DNA's previous financial statements with regard to the reclassification of materials and services, employee benefit expenses and other operating expenses. The reclassification was done in order to align the reporting of these items to the figures published by the Telenor Group for DNA. The figures for the comparison periods have been restated accordingly. The most significant reclassified items were related to commission payments and operation and maintenance costs. The reclassification did not affect reported revenues, operating result or other key figures.

2 Revenue

The group revenue consists of income from contracts with customers. The Consumer segment revenue in 7-12/2023 was 439.9 million (395.3) and the Corporate segment revenue was EUR 114.4 million (119.1). 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	7–12/2023		7–12/2022		1–12/2023		1–12/2022	
	Point in time	Over time	Point in time	Over time	Point in time	Over time	Point in time	Over time
Subscription and traffic		294,167		272,110		572,434		533,446
Interconnect revenues		13,765		16,541		28,515		33,404
Mobile revenues subscriptions		307,931		288,651		600,950		566,849
Other mobile revenues		12,956		8,836		23,802		17,161
Total mobile revenues		320,887		297,487		624,752		584,010
Non-mobile revenues	107,305	14,827	75,756	32,505	192,841	28,794	171,763	22,978
Other revenues ¹⁾		1,842		1,926		3,652		3,633
Total revenues mobile operation	107,305	337,556	75,756	331,918	192,841	657,197	171,763	610,621
Telephony		5,615		6,842		11,674		13,856
Internet and TV		86,497		82,132		170,556		162,913
Other revenues		12,212		13,105		24,209		24,978
Total retail revenues		104,324		102,079		206,439		201,748
Wholesale revenues		5,133		4,604		10,590		12,927
Total revenues fixed operation		109,457		106,683		217,029		214,675
Total revenues	107,305	447,013	75,756	438,601	192,841	874,226	171,763	825,296

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

3 Segment information

7–12/2023

EUR thousands

Business segments	Consumer business	Corporate business	Unallocated	Group total
Total revenues	439,874	114,443		554,317
EBITDA	166,276	34,935		201,210
Depreciation, amortisation and impairment	62,630	31,600		94,230
Operating result	103,646	3,335		106,980
Net finance items			-10,086	-10,086
Share of associates' results			25	25
Net result before income tax				96,919
Net result for the period				78,250
Capital expenditure ¹⁾	80,708	27,051		107,759
Personnel at the end of period	962	756		1,718

7–12/2022

EUR thousands

Business segments	Consumer business	Corporate business	Unallocated	Group total
Total revenues	395,262	119,095		514,357
EBITDA	141,199	38,923		180,121
Depreciation, amortisation and impairment	65,903	35,656		101,559
Operating result	75,295	3,266		78,562
Net finance items			-6,102	-6,102
Share of associates' results			4	4
Net result before income tax				72,464
Net result for the period				58,097
Capital expenditure ¹⁾	63,423	33,076		96,499
Personnel at the end of period	949	746		1,695

1–12/2023

EUR thousands

Business segments	Consumer business	Corporate business	Unallocated	Group total
Total revenues	844,316	222,751		1,067,067
EBITDA	326,997	62,986		389,983
Depreciation, amortisation and impairment	124,853	65,537		190,389
Operating result	202,145	-2,551		199,594
Net finance items			-16,944	-16,944
Share of associates' results			27	27
Net result before income tax				182,676
Net result for the period				146,157
Capital expenditure ¹⁾	136,900	62,445		199,346
Personnel at the end of period	962	756		1,718

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
Personnel at the end of period	949	746		1,695

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 licenses.

As key figures for business segments, DNA presents total revenues, EBITDA and EBIT. DNA's chief operative decision-maker assesses segment performance mainly based on these key figures.

The key figures were affected by a change in segment reporting from the beginning of 2023 where certain corporate customers were transferred to the consumer business segment. The 2022 comparative figures have not been restated accordingly.

4 Capital expenditure

EUR thousands	7–12/2023	7–12/2022	1–12/2023	1–12/2022
Capital expenditure ¹⁾				
Intangible assets	23,569	20,732	40,629	39,690
Property, plant and equipment	84,190	75,767	158,716	127,663
Total	107,759	96,499	199,346	167,353

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 licenses.

Major individual items included in capital expenditure for the review period were mobile network capacity expansion and development, fibre optic networks, and transmission and IT systems. The increase in rental investments relates to the expansion of Suomen Yhteisverkko Oy's operations.

5 Equity

	Outstanding shares thousands	Treasury shares thousands	Total number of shares thousands	Share capital EUR thousands	Reserve for invested unrestricted equity EUR thousands
1 Jan 2022	132,182	121	132,304	72,702	506,079
31 Dec 2022	132,182	121	132,304	72,702	506,079
31 Dec 2023	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). The number of treasury shares is 121,316 (121,316). Treasury shares represent 0.09 per cent of the votes. On 31 December 2023, 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. The Company has distributed a dividend of EUR 0.76 per share for the financial period ending 31 December 2022, totaling EUR 100.458.459,84.

6 Borrowings

EUR thousands	31 Dec 2023	31 Dec 2022
Non-current borrowings		
Bonds	248,391	247,080
Other loans	248,833	223,350
Lease liability	132,890	124,964
Total	630,114	595,395
Current borrowings		
Lease liability	43,588	47,005
Total	43,588	47,005

7 Net debt

EUR thousands	31 Dec 2023	31 Dec 2022
Non-current borrowings	630,114	595,395
Current borrowings	43,588	47,005
Total borrowings	673,702	642,400
Less cash and cash equivalents	3,526	8,432
Net debt	670,176	633,967

Change in net debt EUR thousands	Reported in cash flows from financing activities			
	Cash	Current borrowings	Non-current borrowings	Net debt
1 Dec 2022	10,817	43,889	458,597	491,669
Change in cash	-2,385			2,385
Proceeds from borrowings			259,654	259,654
Repayment of borrowings		-41,298	-110,000	-151,298
Other non-cash transactions		44,413	-12,856	31,558
31 Dec 2022	8,432	47,005	595,395	633,967
Change in cash	-4,907			4,907
Proceeds from borrowings			117,000	117,000
Repayment of borrowings		-50,024	-100,423	-150,447
Other non-cash transactions		46,607	18,143	64,750
31 Dec 2023	3,526	43,588	630,114	670,176

The Group's cash and undrawn credit facilities totaled EUR 117.7 million (131.2). In addition to cash and cash equivalents, DNA has group account receivables of EUR 134.0 million (85.3).

8 Provisions

EUR thousands	1 Jan 2023	Additions	Provisions used	Reversals	31 Dec 2023
Asset retirement obligation	11,151	1,572	-985	-1,052	10,686
Restructuring provision	362	161	-257	-	266
Other provisions	243	-	-	-	243
Total	11,756	1,733	-1,242	-1,052	11,195

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.

9 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 a related party.

EUR thousands	Organisations exercising significant influence		Associated companies	
	1-12/2023	1-12/2022	1-12/2023	1-12/2022
Sales	6,231	5,487	-	-
Purchases	20,164	13,084	538	487
Dividend distribution	100,458	200,917	-	-
Group contribution	84,350	42,000	-	-
Receivables	135,053	86,313	-	-
Liabilities	333,744	258,001	2	-

10 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% 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.

Share-based payments

EUR thousands	7–12/2023	7–12/2022	1–12/2023	1–12/2022
Expense recorded	549	561	911	1,058
Payments (gross)	-	-	287	463