

Half-Year Financial Report 2022

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 Half-Year Financial Report 2022:

Total revenues, EBITDA and result grew – a significant increase seen in the popularity of 5G

Summary

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

January–June 2022

- Total revenues grew 1% and amounted to EUR 483 million (476).
- EBITDA remained stable and was EUR 184 million (183).
- Operating result increased 1% and was EUR 82 million (81).
- Average revenue per user (ARPU)¹⁾:
 - ARPU for mobile communications grew 1% and was EUR 17.2 (17.0).
 - ARPU for fixed broadband grew 2% and was EUR 16.5 (16.1).
 - ARPU for TV subscriptions grew 13% and was EUR 8.2 (7.2).
- Number of subscriptions:
 - The number of mobile subscriptions²⁾ increased and was 2,719,000 (2,695,000).
 - The number of fixed broadband subscriptions increased and came to 625,000 (595,000).
 - The number of TV subscriptions decreased and came to 240,000 (275,000).

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	1-6/2022	1-6/2021	Change, %	1-12/2021
Total revenues	483	476	1	956
EBITDA	184	183	0	359
% of total revenues	38	38		38
Depreciation, amortisation and impairment	102	102		204
Operating result, EBIT	82	81	1	154
% of total revenues	17	17		16
Net result before tax	79	77	2	147
Net result for the period	62	60	4	118
Return on investment (ROI), %	13	12		12
Return on equity (ROE), %	18	17		17
Capital expenditure	71	72	-2	191
Cash flow after investing activities	47	72	-35	174
Net debt	666	577	15	492
Net debt/EBITDA	1.8	1.6		1.4
Net gearing, %	106	80		64
Equity ratio, %	40	46		47
Earnings per share, basic and diluted, EUR	0.47	0.45		0.89
Personnel at the end of period	1,779	1,662	7	1,604

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CEO's review

At the end of the first half of 2022, the operating environment had become more unstable. Russia's war against Ukraine has caused global uncertainty since February, 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 loan reference rates have started rising steeply. In June, the Bank of Finland estimated that the war in Ukraine will slow down economic growth in Finland, weaken the outlook and increase uncertainty in the global economy. All of this may also impact DNA's economic outlook.



DNA's financial key figures for January–June 2022 indicate that our business has nevertheless continued to develop steadily. Total revenues grew 1% year-on-year and amounted to EUR 483 million (476), EBITDA remained stable and was EUR 184 million (183) and operating result was up 1% to EUR 82 million (81). The slowdown in growth is attributable to a year-on-year rise in the costs of sales, 5G construction, Group services and energy.

The number of mobile subscriptions increased by 24,000 year-on-year, and their ARPU increased to EUR 17.2 (17.0). The number of fixed broadband subscriptions increased by 30,000 from the comparison period, and their ARPU rose to EUR 16.5 (16.1). DNA has continued to grow as the fixed-network market leader.

Demand for 5G services remained strong. During the first half of the year, almost 80% of all the phones sold by DNA were already 5G-capable, as compared to just over 50% in January–June 2021. Demand was also driven by our expanding 5G network, which reached as much as 70% of the population at the end of the period. The significant boost to mobile data speeds made possible by 5G was clearly visible in the measurement Omnitel¹ published in April. In some cases, download speeds in DNA's mobile network have increased by tenfold over the past four years.

Finland ended almost all of its coronavirus restrictions in January–June. The lifting of the national remote working recommendation in the early part of the year has increased the utilisation rate of DNA's offices as well, even though it remains far short of pre-pandemic figures. Going forward, DNA's employees can continue to choose freely where and how they work, and in the spring and early summer they typically visited the office only 0 to 2 times a week. DNA has found that giving employees the freedom to choose how and where they work yields high productivity and greater job satisfaction. In the near future, DNA intends to increase and enhance work flexibility even further.



Jussi Tolvanen
CEO

1) Omnitel's study on mobile download speeds, 3/2022. The measurements were carried out in 11 regions, covering 19 cities: Helsinki, Espoo, Kauniainen, Vantaa, Kerava, Tuusula, Järvenpää, Turku, Raisio, Naantali, Kaarina, Tampere, Pirkkala, Nokia, Ylöjärvi, Kangasala, Jyväskylä, Lahti and Pori. The data transfer speeds varied between areas. The results are presented as averages for each area. The data transfer speeds and ranking of the operators also varied between locations within each area. Further information in Finnish: <https://corporate.dna.fi/lehdistotiedotteet?type=stt2&id=69937838>

DNA Plc's Half-Year Financial Report 2022

Operating environment January–June 2022

At the end of June 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 started rising. 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 the first half of the year. This issue was also raised more frequently in public discussion, as Finland's NATO application in the spring has increased the risk of cyberattacks from Russia.

The pace of 5G construction remained brisk in January–June. In June, DNA's 5G services were already available in 163 municipalities, with over 3.8 million people covered by the network – that is, around 70% of Finns 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.

Regulation

The key national legislative projects relevant to DNA in January–June 2022 included the transposition of the Omnibus Directive on consumer protection into national legislation. The EU Accessibility Directive will also be incorporated into national legislation; during the review period, deliberations on the directive were still ongoing in Parliament. The Government Proposal on the implementation of the Copyright Directive was submitted to Parliament in April; during the review period, it was still being considered in Parliament.

In June, the Ministry of Transport and Communications proposed an amendment to the must-carry obligation concerning radio programming. The elimination of the must-carry obligation regarding radio programming from telecommunications companies would enable end customers to have 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	1–6/2022	1–6/2021	Change, %	1–12/2021
Total revenues	483	476	1	956
EBITDA	184	183	0	359
% of total revenues	38	38		38
Operating result	82	81	1	154
% of total revenues	17	17		16
Net result for the period	62	60	4	118

DNA's total revenues for January–June 2022 grew 1% and amounted to EUR 483 million (476). 76% (76) of total revenues were generated by consumer business and 24% (24) by corporate business.

EBITDA remained stable at EUR 184 million (183), or 38% of total revenues (38). Operating result increased 1% and was EUR 82 million (81). Operating result as a percentage of total revenues was 17% (17). Net result for the financial period increased 4% to EUR 62 million (60).

Key operative indicators

	1–6/2022	1–6/2021	Change, %	1–12/2021
Number of mobile subscriptions at end of period	2,719,000	2,695,000	1	2,699,000
average revenue per user (ARPU), EUR	17.2	17.0	1	17.1
Number of fixed subscriptions at end of period	888,000	899,000	-1	892,000

Cash flow and financial position

EUR million	1-6/2022	1-6/2021	Change, %	1-12/2021
Cash flow after investing activities	47	72	-35	174
Net debt	666	577	15	492
Net debt/EBITDA	1.8	1.6		1.4
Net gearing, %	106	80		64
Equity ratio, %	40	46		47

Cash flow after investing activities in the first half of 2022 was EUR 47 million (72). Cash flow was impacted by e.g. growth in working capital.

At the end of June, DNA had a EUR 295 million internal revolving credit facility, of which EUR 49 million remained undrawn, and a 45 million (51) Group overdraft.

Net gearing increased and was 106% (80) at the end of the period. 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 (7). Net debt was EUR 666 million (577). The Group's liquid assets and undrawn committed credit facilities amounted in total to EUR 102 million (118). In addition to liquid assets, DNA has cash pool receivables of EUR 51 million (43).

Changes in working capital had a EUR 21 million negative (EUR 0 million positive) impact on cash flow. Growth in working capital was attributable to greater inventories, lower trade payables and higher trade receivables.

DNA has a strong balance sheet. The net debt/EBITDA ratio was 1.8 (1.6) at the end of the period. DNA's equity ratio at the end of June was 40% (46).

Development per business segment

Consumer business

EUR million	1–6/2022	1–6/2021	Change, %	1–12/2021
Total revenues	367	363	1	727
EBITDA	143	143	0	279
% of total revenues	39	39		38
Operating result	76	77	0	147
% of total revenues	21	21		20

In January–June 2022, consumer business total revenues increased and came to EUR 367 million (363). EBITDA remained stable and was EUR 143 million (143). The EBITDA percentage of total revenues was 39% (39). The consumer business operating result remained stable and was EUR 76 million (77), or 21% of consumer business total revenues (21).

Demand for 5G services remained strong thanks to the expansion of the 5G network and broader offering of 5G-capable devices. During the first half of the year, almost 80% of all the phones sold by DNA were already 5G-capable, as compared to slightly over 50% in January–June 2021.

In January–June, DNA launched new user-friendly services: SquareTrade comprehensive coverage for new mobile devices as well as the DNA Digiturva data security service. DNA Digiturva combines all the major information security features that provide protection against different kinds of scams, identity theft and viruses. Due to the uncertain global situation, consumers are now also even more aware of different types of information security threats and influence operations.

DNA has continued to grow as the market leader in fixed networks thanks to its high-quality and reliable network. Internet use has grown and become even more diverse in recent years. People need high-quality and user-friendly digital services and connections for leisure, work and studying. The new DNA TV Hubi device launched at the end of last year has been well-received by consumers. Based on an open ecosystem, the device provides an easy and convenient way to watch entertainment in one place.

Corporate business

EUR million	1–6/2022	1–6/2021	Change, %	1–12/2021
Total revenues	116	113	2	228
EBITDA	41	40	3	79
% of total revenues	36	35		35
Operating result	5	4	33	7
% of total revenues	5	3		3

In January–June 2022, DNA's corporate business total revenues grew and amounted to EUR 116 million (113). EBITDA increased and was EUR 41 million (40). The EBITDA percentage of total revenues was 36% (35). Corporate business operating result grew to EUR 5 million (4), or 5% of corporate business total revenues (3).

January–June was a stable and active period for DNA's corporate business. The trend in the number of customers was in line with expectations and business developed favourably. Companies and organisations continued to show growing interest in corporate networks and information security services. Thanks to new customers, certified expertise, strong international Telenor cooperation and customer-focused productisation, DNA has grown into a major service provider.

Cooperation between DNA and Telenor deepened in corporate networks and the Group acquired important new customers with numerous sites.

In June, DNA and the City of Turku announced that DNA had been selected as the primary provider of communications services for the City. As part of this major agreement and 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	1-6/2022	1-6/2021	Change, %	1-12/2021
Consumer business	44	46	-4	126
Corporate business	27	27	1	65
Total capital expenditure	71	72	-2	191

EUR million	1-6/2022	1-6/2021	Change, %	1-12/2021
Operative capital expenditure ¹⁾	58	56	2	160
% of total revenues	12	12		17
Lease investments (IFRS 16)	13	16	-17	31
Total capital expenditure	71	72	-2	191

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

In January-June 2022, capital expenditure decreased 2% and came to EUR 71 million (72). On the other hand, operative capital expenditure increased year-on-year and amounted to EUR 58 million (56), or 12% of total revenues (12).

Major individual items included in capital expenditure in the review period were related to network capacity expansion and development for 5G readiness as well as fibre optic networks and transmission systems.

Network infrastructure and new technologies

In January–June 2022, DNA continued its strong investment activities in network infrastructure. 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. In June, 5G services were already available in 163 municipalities, with over 3.8 million people covered by the network. Around 70% of Finns live within 5G service coverage. Preparations for the introduction of 5G network SA (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.

During the spring, Finnish Shared Network Ltd carried out large-scale 5G network deployment on the 700 MHz frequency in South Savo region, thanks to which 5G coverage has also spread to sparsely populated areas. Going forward, the geographical service area of 5G will expand at an even faster rate as network updates progress outside urban areas. Finnish Shared Network Ltd, a company jointly owned by DNA Plc and Telia Finland Oyj, has been building and operating a mobile network on behalf of both companies in northern and eastern Finland since 2015. The construction of the Finnish Shared 5G Network began in 2021 and its coverage area was expanded towards the inland of Finland.

In January-June, DNA's copper-based network in western Finland was dismantled extensively. 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.

After Russia invaded Ukraine in February 2022, there have been concerns in the news about possible influence attempts targeting Finland. During the spring, DNA has communicated that the operator has engaged in comprehensive and multilayer efforts to safeguard the continuity of Finnish network operations. DNA is committed to complying with Traficom's regulation, which entered into force in July 2021, that the service capability of networks must be ensured in various circumstances.

In Omnitel Ltd's measurement¹ of mobile network speeds, which was published in April, DNA's subscription achieved the highest average download speed in ten areas out of eleven. In total, an average of 42 GB of data per subscription was transferred monthly in DNA's mobile network during the April–June 2022 period.

1) Omnitel's study on mobile download speeds, 3/2022. The measurements were carried out in 11 regions, covering 19 cities: Helsinki, Espoo, Kauniainen, Vantaa, Kerava, Tuusula, Järvenpää, Turku, Raisio, Naantali, Kaarina, Tampere, Pirkkala, Nokia, Ylöjärvi, Kangasala, Jyväskylä, Lahti and Pori. The data transfer speeds varied between areas. The results are presented as averages for each area. The data transfer speeds and ranking of the operators also varied between locations within each area. Further information in Finnish: <https://corporate.dna.fi/lehdistotiedotteet?type=stt2&id=69937838>

Personnel

	30 June 2022	30 June 2021	Change, %	31 December 2021
Consumer business	996	931	7	898
Corporate business	783	731	7	706
Total personnel	1,779	1,662	7	1,604

At the end of June 2022, DNA Group had 1,779 employees (1,662), of whom 682 were women (633) and 1,097 men (1,029). Salaries and employee benefit expenses paid during the January–June 2022 period amounted to EUR 58 million (61). The number of employees grew largely due to the in-housing of previously outsourced tasks.

Employees have the flexibility to work wherever and whenever it suits them. This has been one of DNA's success stories since 2012 – that is, for 10 years. 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. Although the pandemic-related national remote working recommendation ended at the turn of February–March, DNA's policy is that employees can decide for themselves whether to return to the office. That is, they will still be free to choose where and when to work, if their duties permit. In fact, fostering freedom at work has been one of DNA's major personnel themes during the first part of 2022. The company also carried out extensive campaigns on this issue in different media and in DNA's own channels.

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.

Also in June, DNA published its new employer promise – to support each and every employee to live a humane and one-of-a-kind life. 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.

In practice, the employer promise is divided into five themes. The first of these is *straightforwardness*. DNA does not force or command, but rather sets the targets and provides the means for achieving them. The second is *one-of-a-kindness* – which means that we appreciate everyone as they are, regardless of age, gender, appearance, heritage, who they love or how they see the world. The third is *family-friendliness*. At DNA, family means those who are most important in life. We are a truly family-friendly workplace, equally and for all kinds of families. Fourth, DNA encourages *continuous development* because working life is constantly changing, and it is important for people to develop with it. The fifth of DNA's promises is *getting things done* – working on meaningful matters. This makes the work rewarding and our customers' daily life smooth and straightforward. DNA and its personnel have a significant role in Finland's digital development.

Significant litigation matters

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

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 (AGM) without holding the Annual General Meeting. The decisions were made legally, in accordance with the Companies Act Chapter 5 Section 1. DNA announced the decisions on matters belonging to the Annual General Meeting 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 will be distributed. The Board had also proposed that the remaining portion of the distributable funds be retained in equity. The Board's proposal to use the distributable funds shown in the balance sheet was approved. It was also 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 the number of the Members of the Board of Directors will be five. It was decided to choose **Jukka Leinonen** as the Chair of the Board of Directors and the following people as Members of the Board of Directors: **Birgitte Engebretsen**, **Gaute Simen Gravir**, **Håvard Naustdal** and **Trine Rønningen**. The Members of the Board are independent of the company but non-independent of Telenor Group. The Board Members shall not be paid remuneration.

Authorised Public Accountants Ernst & Young was chosen as the company's auditor. APA **Terhi Mäkinen** will act as the principal auditor.

Corporate responsibility

DNA continued the implementation of its corporate responsibility programme and goals in the first half of 2022.

DNA paid attention to personnel diversity and equal opportunities by continuing its cooperative project with Plan International Finland. This project focuses on introducing immigrant youth to the ICT sector and acquainting employees with new talent. DNA also continued to communicate about its One-of-a-Kind diversity project both inside the company and externally. In addition, DNA has started promoting the role of the English language in its corporate culture.

DNA has developed its climate work by investigating the sources of the electricity used in leased radio network premises. Emissions from leased premises will most likely decrease in the year-end figures.

DNA will overhaul its corporate responsibility programme in 2022. Stakeholder interviews and surveys were carried out in the first half of the year, and the results were analysed.

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 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 started rising. 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 rose substantially when Finland submitted its NATO application, as Russia is expected to respond with cyber influence operations. 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 recent months 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.

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 January–June 2022

On 12 November 2021, DNA announced that **Christoffer von Schantz**, Senior Vice President, Strategy and a member of the Executive Team, was appointed Vice President of DNA's broadband and TV business starting from 22 November 2021. He left the Executive Team at the end of the year. 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.

Events after the financial period

In its decision in February 2022, the Finnish Transport and Communications Agency has 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 the decision to the Supreme Administrative Court. The case is pending.

DNA's financial reporting in 2022

DNA publishes a half-year (January-June) financial report and a financial statements bulletin for the 2022 financial period. For the January–March and January–September periods, DNA publishes business reviews including a CEO's review and certain financial and operative key figures as a press release. The business review for January–September 2022 will be published as a press release on 26 October 2022.

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 the senior unsecured fixed rate notes that are due in 2025 (ISIN: FI4000312095) that are listed on Nasdaq Helsinki stock exchange.

Group key figures

	1-6/2022	1-6/2021	1-12/2021
Earnings per share, basic and diluted, EUR	0.47	0.45	0.89
Equity per share, EUR	4.77	5.43	5.82
Shares outstanding at the end of the period, thousands			132,182
Weighted average adjusted number of shares during the financial period, basic, thousands	132,182	132,182	132,182
Weighted average adjusted number of shares during the financial period, diluted, thousands	132,182	132,182	132,182
Net debt, EUR thousands	666,113	577,182	491,669
Net gearing, %	106	80	64
Equity ratio, %	40	46	47
Net debt/EBITDA	1.8	1.6	1.4
Return on investment (ROI), %	13	12	12
Return on equity (ROE), %	18	17	17
Capital expenditure, EUR thousands	70,854	72,405	191,256
Capital expenditure, % of total revenues	15	15	20
Personnel at the end of period	1,779	1,662	1,604

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	1–6/2022	1–6/2021	1–12/2021
Total revenues	482,702	475,850	955,961
Materials and services	-184,820	-185,001	-379,389
Employee benefit expenses	-58,198	-60,549	-116,590
Depreciation, amortisation and impairments	-102,250	-102,498	-204,429
Other operating expenses	-55,790	-47,161	-101,390
Operating result	81,644	80,641	154,163
Finance income	290	98	304
Finance expense	-3,417	-3,403	-7,191
Share of associates' results	9	-18	16
Net result before income tax	78,526	77,319	147,291
Income tax expense	-16,305	-17,388	-29,554
Net result for the period	62,222	59,931	117,737
Attributable to:			
Owners of the parent company	62,222	59,931	117,737
Earnings per share for net result attributable to the owners of the parent company:			
Earnings per share, basic and diluted, EUR	0.47	0.45	0.89

Notes are an integral part of the half-year financial report.

Consolidated statement of comprehensive income

EUR thousands	1–6/2022	1–6/2021	1–12/2021
Net result for the period	62,222	59,931	117,737
Items that will not be reclassified to profit or loss:			
Remeasurements of post-employment benefit obligations, net	342	-108	-310
Other comprehensive income, net of tax	342	-108	-310
Total comprehensive income	62,563	59,823	117,427
Attributable to:			
Owners of the parent company	62,563	59,823	117,427

Notes are an integral part of the half-year financial report.

Consolidated statement of financial position

EUR thousands	30 Jun 2022	30 Jun 2021	31 Dec 2021
ASSETS			
Non-current assets			
Goodwill	338,706	338,706	338,706
Other intangible assets	124,403	123,233	127,653
Property, plant and equipment	451,840	447,662	469,730
Right-of-use assets	222,299	241,342	232,554
Investments in associates	1,245	1,206	1,240
Other investments	111	111	111
Other receivables	79,471	72,106	76,482
Deferred tax assets	6,831	6,711	7,000
Total non-current assets	1,224,906	1,231,076	1,253,475
Current assets			
Inventories	41,883	32,012	38,217
Trade and other receivables	320,272	285,404	311,671
Contract assets	1,257	3,175	1,305
Income tax receivable	1,953	3,153	10,280
Accrued expenses	21,762	21,799	23,840
Cash and cash equivalents	8,354	7,005	10,817
Total current assets	395,479	352,548	396,131
Total assets	1,620,385	1,583,623	1,649,606
EQUITY			
Equity attributable to the owners of the parent company			
Share capital	72,702	72,702	72,702
Reserve for invested unrestricted equity	506,079	506,079	506,079
Treasury shares	-1,728	-1,728	-1,728
Retained earnings	-8,107	80,235	74,620
Net result for the period	62,222	59,931	117,737
Total equity	631,168	717,219	769,410
LIABILITIES			
Non-current liabilities			
Borrowings	497,549	388,254	313,890
Lease liability	134,625	152,174	144,706
Employment benefit obligations	1,077	1,278	1,513
Provisions	14,072	13,299	14,070
Deferred tax liabilities	53,287	48,730	52,667
Other non-current liabilities	11,838	11,876	12,009
Total non-current liabilities	712,449	615,611	538,854
Current liabilities			
Lease liability	42,292	43,758	43,889
Contract liabilities	2,537	2,943	2,886
Provisions	208	208	326
Trade and other payables	224,365	199,268	284,395
Income tax liability	7,366	4,615	9,846
Total current liabilities	276,768	250,793	341,342
Total equity and liabilities	1,620,385	1,583,623	1,649,606

Notes are an integral part of the half-year financial report.

Consolidated statement of cash flows

EUR thousands	1–6/2022	1–6/2021	1–12/2021
Cash flows from operating activities			
Net result for the period	62,222	59,931	117,737
Adjustments ¹⁾	120,984	123,252	240,770
Change in net working capital ²⁾	-21,076	-228	2,296
Dividends received	36	36	36
Interest paid	-3,551	-5,201	-5,259
Interest received	183	66	272
Other financial items	-976	-704	-2,151
Income taxes paid	-9,754	-6,904	-15,889
Net cash generated from operating activities	148,069	170,249	337,812
Cash flows from investing activities			
Investments in property, plant and equipment (PPE) and intangible assets	-77,745	-79,001	-160,614
Disposals of non-current assets	139	113	585
Other investments	-106	-240	-91
Group account receivable	-22,922	-18,957	-3,958
Net cash used in investing activities	-100,634	-98,085	-164,077
Cash flows from financing activities			
Dividends paid	-200,917	-	-
Proceeds from borrowings	202,164	21,430	95,000
Repayment of borrowings	-30,000	-73,153	-223,123
Repayment of lease liability	-20,891	-21,069	-42,428
Other non-cash transactions in financing activities	-255	-	-
Net cash used in financing activities	-49,899	-72,792	-170,551
Change in cash and cash equivalents	-2,463	-628	3,184
Cash and cash equivalents at the beginning of period	10,817	7,633	7,633
Cash and cash equivalents at the end of period	8,354	7,005	10,817
¹⁾ Adjustments:			
Depreciation, amortisation and impairment	102,250	102,498	204,429
Gains and losses on disposals of non-current assets	-136	-77	-431
Other non-cash income and expense	-9	18	-16
Finance income and expense	3,127	3,304	6,887
Income tax expense	16,305	17,388	29,554
Change in provisions	-552	122	346
Total adjustments	120,984	123,252	240,770
²⁾ Change in net working capital:			
Change in trade and other receivables	-7,718	2,942	-20,887
Change in inventories	-3,665	1,712	-4,493
Change in trade and other payables	-9,693	-4,882	27,676
Total change in net working capital	-21,076	-228	2,296

Notes are an integral part of the half-year financial report.

Consolidated statement of changes in equity

EUR thousands	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				-310	-310
Total comprehensive income	-	-	-	117,427	117,427
Transactions with owners					
Share-based payments				300	300
Group contribution				-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				62,222	62,222
Other comprehensive income					
Total other comprehensive income, net of tax				342	342
Total comprehensive income	-	-	-	62,563	62,563
Transactions with owners					
Share-based payments				112	112
Dividend distribution				-200,917	-200,917
Total transactions with owners	-	-	-	-200,805	-200,805
30 Jun 2022	72,702	506,079	-1,728	54,115	631,168

Notes are an integral part of the half-year financial report.

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1 Accounting principles

This Half-Year Financial Report 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 2021, with the exception of new and amended standards effective as of 1 January 2022 which have not had an impact on the Group. This report should be read in connection with the 2021 Financial Statements. The information presented in the report is unaudited.

2 Revenue

The group revenue consists of income from contracts with customers. The Consumer segment revenue in H1 2022 was EUR 366.6 million (362.5) and the Corporate segment revenue was EUR 116.1 million (113.3). 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	1–6/2022		1–6/2021		1–12/2021	
	Point in time	Over time	Point in time	Over time	Point in time	Over time
Timing of revenue recognition						
Subscription and traffic		261,335		254,598		512,461
Interconnect revenues		16,863		20,116		39,311
Mobile revenues subscriptions		278,198		274,714		551,772
Other mobile revenues		8,325		5,956		13,239
Total mobile revenues		286,523		280,670		565,011
Non-mobile revenues	75,756	12,431	76,674	9,822	152,122	19,992
Other revenues ¹⁾		-		1,655		3,749
Total revenues mobile operation	75,756	298,954	76,674	292,146	152,122	588,752
Telephony		7,014		8,384		16,300
Internet and TV		80,781		77,599		157,136
Other revenues		11,873		12,879		26,356
Total retail revenues		99,669		98,862		199,792
Wholesale revenues		8,323		8,168		15,296
Total revenues fixed operation		107,992		107,030		215,088
Total revenues	75,756	406,946	76,674	399,175	152,122	803,839

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

3 Segment information

1–6/2022

EUR thousands

Business segments	Consumer business	Corporate business	Unallocated	Group total
Total revenues	366,638	116,063		482,702
EBITDA	142,560	41,335		183,894
Depreciation, amortisation and impairment	66,155	36,096		102,250
Operating result	76,405	5,239		81,644
Net finance items			-3,127	-3,127
Share of associates' results			9	9
Net result before income tax				78,526
Net result for the period				62,222
Capital expenditure ¹⁾	43,768	27,086		70,854
Personnel at the end of period	996	783		1,779

1–6/2021

EUR thousands

Business segments	Consumer business	Corporate business	Unallocated	Group total
Total revenues	362,542	113,308		475,850
EBITDA	142,922	40,216		183,138
Depreciation, amortisation and impairment	66,220	36,277		102,498
Operating result	76,702	3,939		80,641
Net finance items			-3,304	-3,304
Share of associates' results			-18	-18
Net result before income tax				77,319
Net result for the period				59,931
Capital expenditure ¹⁾	45,709	26,695		72,405
Personnel at the end of period	931	731		1,662

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
Personnel at the 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 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.

4 Capital expenditure

EUR thousands	1–6/2022	1–6/2021	1–12/2021
Capital expenditure ¹⁾			
Intangible assets	18,959	16,127	42,409
Property, plant and equipment	51,896	56,278	148,847
Total	70,854	72,405	191,256

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 in the review period were related to network capacity expansion and development for 5G readiness as well as fibre optic networks and transmission systems.

5 Equity

	Outstanding shares thousands	Treasury shares thousands	Total number of shares thousands	Share capital EUR thousands	Reserve for invested unre- stricted equity EUR thousands
1 January 2021	132,182	121	132,304	72,702	506,079
31 December 2021	132,182	121	132,304	72,702	506,079
30 June 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). The number of treasury shares is 121,316 (121,316). Treasury shares represent 0.09 per cent of the votes. On 30 June 2021, 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 1.52 per share for the financial period ending 31 December 2021, totaling EUR 200.916.919,68.

6 Borrowings

EUR thousands	30 June 2022	30 June 2021	31 December 2021
Non-current borrowings			
Bonds	246,432	245,158	245,794
Other loans	251,118	143,096	68,096
Lease liability	134,625	152,174	144,706
Total	632,175	540,429	458,597
Current borrowings			
Lease liability	42,292	43,758	43,889
Total	42,292	43,758	43,889

7 Net debt

EUR thousands	30 June 2022	30 June 2021	31 December 2021
Non-current borrowings	632,175	540,429	458,597
Current borrowings	42,292	43,758	43,889
Total borrowings	674,466	584,186	502,486
Less cash and cash equivalents	8,354	7,005	10,817
Net debt	666,113	577,182	491,669

Change in net debt	Reported in cash flows from financing activities			
	Cash	Current borrowings	Non-current borrowings	Net debt
EUR thousands				
1 January 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 December 2021	10,817	43,889	458,597	491,669
Change in cash	-2,463			2,463
Proceeds from borrowings		-6,751	208,916	202,164
Repayment of borrowings		-20,891	-30,000	-50,891
Other non-cash transactions		26,044	-5,337	20,707
30 June 2022	8,354	42,292	632,175	666,113

The Group's cash and undrawn credit facilities totaled EUR 102 million (118). In addition to cash and cash equivalents, DNA has group account receivables of EUR 51 million (43).

8 Provisions

EUR thousands	1 January 2022	Additions	Provisions used	30 June 2022
Asset retirement obligation	13,791	2	-	13,794
Restructuring provision	396	-	-118	278
Other provisions	208	-	-	208
Total	14,396	2	-118	14,280

Asset retirement obligation

The asset retirement obligation provision comprises the estimated dismantling and demolition costs of equipment facilities, masts and telephone poles. The asset retirement period for telephone poles is estimated at 10 years, and 40 years for equipment facilities 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.

1–6/2022			
EUR thousands	Organisations exercising significant influence		Associated companies
Sales	2,557		-
Purchases	5,651		245
Dividend distribution	200,917		-
Receivables	51,111		-
Liabilities	249,484		-

1–6/2021			
EUR thousands	Organisations exercising significant influence		Associated companies
Sales	1,865		-
Purchases	2,494		202
Receivables	43,365		-
Liabilities	140,462		-

1–12/2021			
EUR thousands	Organisations exercising significant influence		Associated companies
Sales	3,397		-
Purchases	8,665		458
Group contribution	6,899		-
Receivables	28,291		-
Liabilities	72,211		-

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.

There have been no share-based compensations during 2022.

Share-based payments

EUR thousands			
Expense recorded	1–6/2022	1–6/2021	1–12/2021
Share-based payments	497	651	1,304