Annual Report 2023

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CEO’s rewiew

The year 2023 brought success to DNA on many fronts and gave us numerous reasons for joy. At the same time, the ongoing uncertainty in the markets and global situation for the second year sharpened our awareness of the importance of preparedness and robust continuity planning.

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.

Digital equality is an important theme of responsibility for us, and last year we provided assistance with digital skills to over 72,000 individuals. We want to ensure that in Finland, the dangers of excessive use of smart devices are also recognized. Together with the organization Protect Children, we launched Puhelinparkki and, for the second consecutive year, celebrated Älyvapaapäivä during the fall. Additionally, we made a significant investment in green domestic energy production by signing a 10-year procurement agreement for Finnish wind power.

DNA won the Finnish Quality Award. The biggest thanks for this award go to DNA personnel, who do top-quality work for our customers every day. This award is based on a thorough assessment of an organisation's operations by a group of independent experts using the international EFQM model.
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.

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).

However, 2023 was overshadowed by uncertainty both in our market and the world in general. 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. 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.

We work for the functionality and success of our society, and we want to see a bright long-term future.

Jussi Tolvanen
CEO

Highlights from 2023

DNA made a **significant contribution to green domestic energy production** by signing a 10-year procurement agreement for Finnish wind power. DNA's contractual partner is Statkraft, currently the largest producer of renewable energy in Europe.

Finnish citizens have rated DNA as the **most responsible mobile network operator in its industry**. This was demonstrated by a study conducted by Epsi Rating, which reflects Finnish people's experiences and perceptions of mobile network operators' responsibility.

DNA ranked first in customer satisfaction among the Finnish mobile network operators. In EPSI Rating's study conducted in September, **DNA secured the top spot in customer satisfaction for both private and business customers**. Approximately a thousand private and business customers were interviewed in the study.

The Finnish Quality Association recognized DNA with **the Finnish Quality Award** as an acknowledgment of its strategic and long-term efforts in improving its operations.

DNA's own online store for used phones, Vaihtokapula, was opened. Vaihtokapula aims to **accelerate the circular economy for smartphones** by making it easy and safe to purchase used phones.

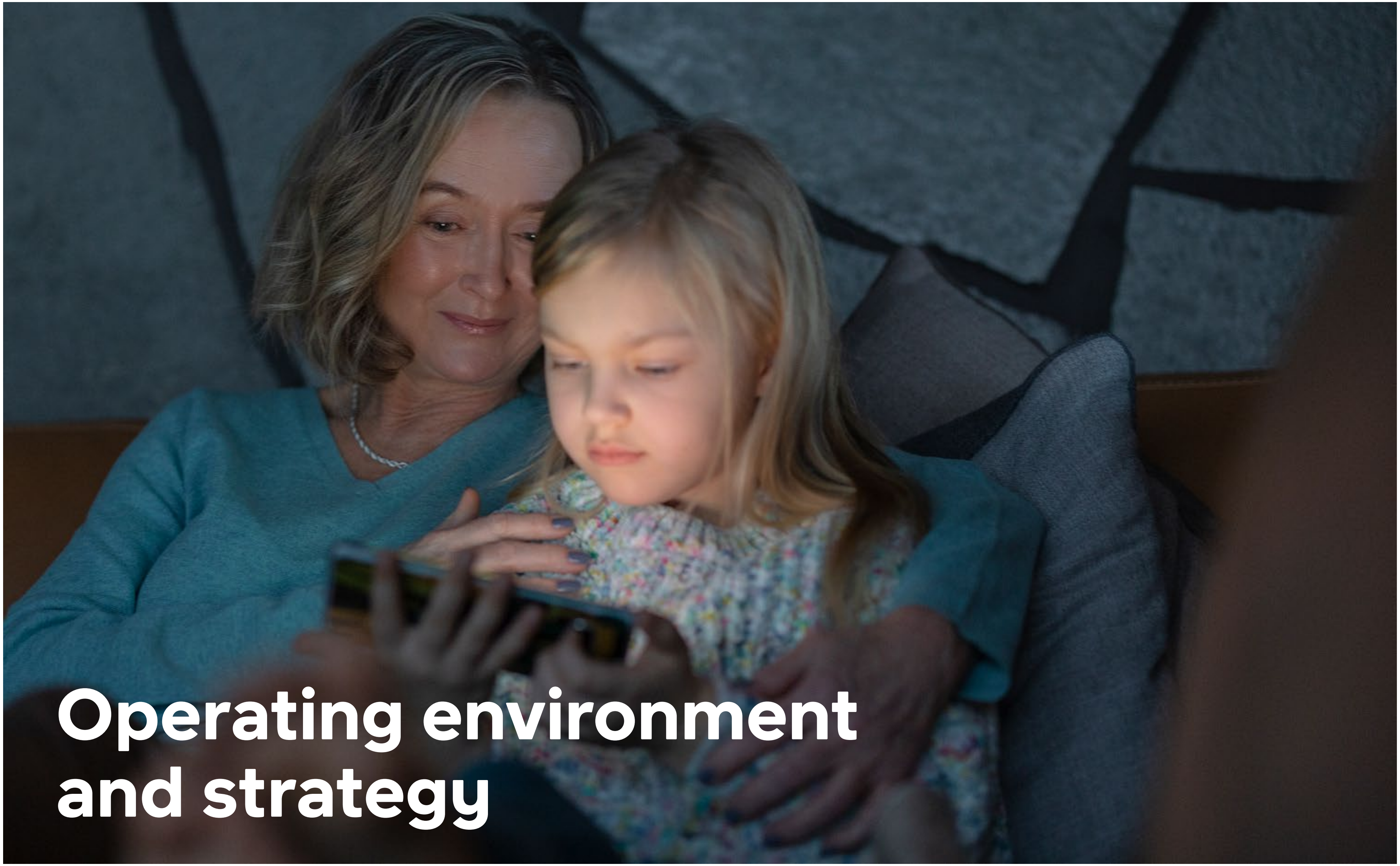
In 2023, DNA hired all summer employees without requesting CVs or traditional application letters. DNA needs approximately a hundred summer employees for various expert and sales positions. One of the goals behind this decision was to **facilitate and equalize the job application process**.

The partnership with Suojellaan Lapsia/ Protect Children resulted in the popular Puhelinparkki (Phone Parking) initiative. Puhelinparkki's main objective is to help children learn self-regulation of smartphone usage, a lesson that is valuable for us adults as well.

DNA **introduced the compact device DNA Viihdeboksi, which is the first in the Nordics to deliver Dolby Atmos spatial sound**. With this device, users can enjoy audio and visual quality in line with modern standards.

Finnair and DNA entered a partnership. **DNA provides Finnair with global communication and next-generation networking solutions**.

Additionally, our **5.5G technology achieved speeds exceeding 10 gigabits in our commercial mobile network**. The 5.5G standard is set to be commercially available in 2024.



Operating environment and strategy

The Finnish society is highly digitalized, and the operator services are commonly used by consumers and businesses in Finland. As of the end of 2023, the Finnish telecommunications market continued to experience intense competition among established players. The needs for strong cybersecurity and data protection were emphasized due to the common security situation, the ongoing digitalization and the increasing use of digital networks and services.

For instance, in 2023, DNA thwarted 10 million fraudulent phone calls from its customers. The significance of cybersecurity, data privacy, and network reliability is expected to further increase in the future.

The 5G infrastructure development in Finland progressed rapidly throughout 2023. By the year's end, DNA's 5G coverage reached approximately 94% of the Finnish population based on their residential locations. In addition to mobile services, fixed 5G provides a viable alternative for home broadband, especially outside city centers.

In densely populated urban areas, broadband connections continue to rely primarily on fiber optics. Simultaneously, outdated technology has been phased out, with the gradual closure of 3G networks and dismantling of old copper networks. This work remained ongoing as of the end of 2023.

Despite market uncertainties and fierce competition, our long-term strategy supported positive business development, and we made progress toward our goals in 2023. DNA's strategic objectives include

- being the best place to work and learn,
- delivering an exceptional customer experience
- achieving faster market growth
- demonstrating strong environmental and societal responsibility

Throughout the year, DNA received several accolades for our operations. We secured the top position in customer satisfaction among Finnish mobile operators according to the EPSI Rating organization's study, both for private and business customers. Additionally, we won the Finnish Quality Award. In Hälsan HumanPower23 competition, we achieved second place in the 'Human-Centric Workplace' category. Notably, our growth in cybersecurity services outpaced the market average.

Regarding environmental responsibility, we continued our efforts toward ambitious goals. The Science Based Targets Initiative (SBTi) endorsed our parent company Telenor's climate target, which came into effect in 2021. As a subsidiary, we aim for carbon neutrality in Scope 1 and 2 emissions. To support this, we made a significant commitment to domestic green energy production by signing a 10-year agreement for Finnish wind power. Additionally, we strive to align 68% of our largest suppliers with SBTi targets based on consumption.

Our social responsibility initiatives to reduce digital inequality were realized through collaboration with strong partners, including SOS Children's Village, HelsinkiMission, Plan International Finland, Protect Children and Hope ry.

DNA in brief

DNA is a Finnish company domiciled in Helsinki.

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

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

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

We invest strongly in networks. At the end of 2023, our **5G network** reached more than **5 million people** in Finland.

As part of **our employer promise**, we promoted a humane, one-of-a-kind approach to ourselves, others and the society in 2023.

DNA holds **second place** in the Finnish mobile network subscription market and first place in the fixed-network broadband market.

DNA's values:

Fast.
Bold.
Straightforward.

Business

DNA's business operations continued their favorable development throughout 2023. DNA rose to the second position in terms of mobile network subscriptions in Finland early in the year, and our position as the market leader in fixed broadband strengthened. DNA's network development remained active, and the availability of our 5G services reached over 5 million Finns.

Driven by digitalization, the growing need for data is a clear long-term trend. In 2023, our customers used an average of 48.8 gigabytes of data per month per subscription from January to June. This amount represents about a 12% annual growth compared to the 43.6 gigabytes from early 2022. During the last quarter of 2023, data usage per subscription increased to an average of 55.7 gigabytes per month, indicating over 14% growth compared to the beginning of the year.

In addition to the accelerating data usage trend, there was strong customer interest in security services. Also, sustainability, especially concerning the circular economy for end devices, energy efficiency, and digital security, increasingly caught the attention of DNA's customers.

Cybersecurity

Interest in cybersecurity and continuity management grew consistently throughout the year. Demand for DNA Digiturva, DNA Selausturva, and the security solutions offered to businesses exceeded the market average. Consumer demand for cybersecurity services even saw a remarkable 60% increase. DNA's software-driven, next-generation network and cybersecurity expertise received recognition when Fortinet named DNA its EMEA MSSP Partner of the Year, acknowledging our excellent collaboration in managed security services (MSSP).

Lifecycle Management and Circular Economy for Devices

Sustainability considerations, particularly related to smartphone lifecycle management and effective circular economy practices, came to the forefront. We launched 'Vaihtokapula,' our own online store for used phones, and introduced the initial phase of our evolving Device as a Service (DaaS) offering for corporate customers. With our DNA Palvelulaite service, business clients can now easily manage the entire lifecycle of their devices – from initial setup to secure usage and efficient recycling.

Sustainability at DNA

Sustainability took a great leap forward in 2023 when it became part of DNA's strategic targets. The year also resulted in a new long-term procurement agreement for wind power, more female energy from collaboration with Women Code -program and Plan, and closer cooperation with suppliers on climate targets.

DNA is aware of its responsibility in the digital world

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

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

Data security and protection is becoming increasingly important in the digital world. We want to be worthy of trust, and at the same time be open about the personal data we collect and how we process it. Maintaining a good data security culture is of vital importance to DNA.

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

DNA's sustainability programme

DNA renewed its sustainability programme in 2022. DNA's sustainability programme, objective setting, measures, and reporting are steered by stakeholder expectations and Telenor's requirements. Guided by the EU's Corporate Sustainability Reporting Directive (CSRD) and its proposal for reporting guidelines, DNA's analysis also considered its Group-wide risk assessment and the financial impacts of material topics.

From 2024 onwards, DNA will report on its sustainability as part of Telenor's Annual Report. However, DNA will continue to provide information about sustainability in Finland in accordance with its own sustainability programme.

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

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

DNA's Sustainability Programme

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

Straightforward sustainable partner

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

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

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

Digitally inclusive Finland

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

Moving data within planetary boundaries

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

Safe and secure services

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

DNA and Telenor – sustainable together

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

Comparing our operations with those of other Telenor countries also motivates us to improve our operations and further strengthen our best practices. DNA's well-functioning models have been implemented globally. For instance, DNA's flexible working concept, which is based on freedom and trust, has been introduced throughout the Telenor Group. Our one-of-a-kind diversity concept, Omanlainen, has also been presented at other subsidiaries. DNA's strong visions of fast, straightforward, and bold operations and principles have also gained ground, and DNA has been able to contribute to the development of policies and guidelines at Telenor Group. From 2024 onwards, DNA will report on its sustainability as part of Telenor's Annual Report. However, DNA will also publish the targets of its own sustainability programme on its website. Read more about DNA's reporting principles.

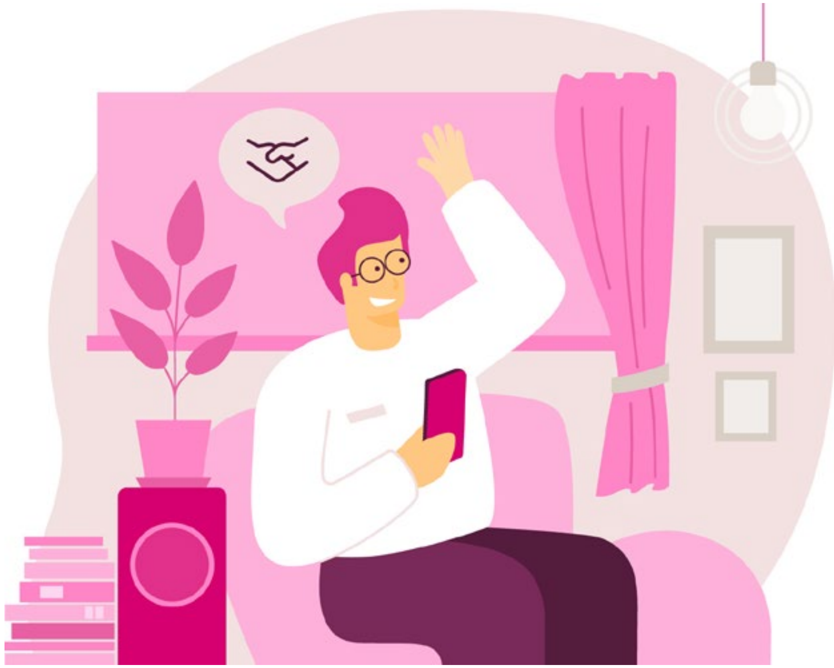
DNA's sustainability targets

DNA annually measures its success in achieving key sustainability targets. Some of these targets are also included in personnel remuneration schemes.

DNA's sustainability programme and key objectives

Strategic area	Target	Performance in 2023	
A straight forward sustainable partner	100% of DNA employees have completed Telenor's annual CoC training	100%	Target achieved
	100% of relevant personnel have received and completed human rights training annually	100%	Target achieved
A humane and oneof akind place to work	40% share of women in senior leadership roles by 2025	29.5%	Work in progress
	A high satisfaction of over 80% in the Employee Engagement Survey regarding development opportunities	83%	Target achieved
A digitally inclusive Finland	Increase in the number of people trained in digital skills (through partnerships and easy-read-articles)	171% (72,138 people trained in digital skills, 26,616 in 2022)	Target achieved
Moving data within planetary boundaries	Carbon neutral operations (Scope 1 and 2) by 2030	+49,4% in Scope 1 and 2 emissions, compared to 2019	Work has not started or is not progressing
	68% of largest suppliers covered by SBTs by 2025.	42.5%	Work in progress
	10% increase in recycled customer devices annually	−44%	Work has not started or is not progressing
Safe and secure services	100% of defined staff completed data privacy training annually	100%	Target achieved

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



A Straightforward sustainable partner

We are committed to making sure that sustainability lies at the heart of our operations from our personnel to our suppliers. We want to demonstrate that we run an ethical business that makes a positive contribution to Finnish society. The promotion of DNA's responsible decision-making model continued in 2023, complemented by Telenor's new policies.

We adhere to our Code of Conduct and legislation

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

The main guideline for our operations is Telenor's Code of Conduct, which applies to all DNA employees. By the end of 2023, 100% of DNA personnel had completed and recapped Telenor's Code of Conduct training. DNA has an anonymous notification channel for reporting concerns about unethical or unlawful behaviour. DNA's employees can report any concerns through the Telenor-wide Integrity Hotline.

No incidents of discrimination, corruption or bribery, or human rights violations were identified at DNA in 2023.

DNA participates in the following sustainability initiatives:

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

The policies that guide DNA's sustainability work

We follow the same sustainability policies as Telenor:

- Group Policy, Sustainability
- Group Policy, Business Partner Management
- Group Policy, People
- Group Policy, Privacy
- Group Policy, Anti-Corruption

Organisation of sustainability at DNA

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

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

DNA also has a volunteer diversity team consisting of employees, a working group focusing on human rights, and an environmental working group.

Management of sustainability risks

DNA's risk management process provides reports on risks and risk management methods to the Executive Team and Board of Directors. Operational plans for the management of significant risks are drafted on the basis of risk management reports, and the Executive Team monitors the implementation of these plans. Sustainability risks are given equal consideration and are included in the company's overall risk management process and risk management reports. DNA's Human Rights Due Diligence process and environmental management system also operate on a risk-based basis.

See the Board of Directors' Report for more information about risk management.

Organisation of sustainability at DNA

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

Board of Directors

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

DNA's Executive Team

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

Senior Vice President, Communications, Sustainability & Brand Development

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

Sustainability Manager

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

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

DNA's Sustainability Manager is involved in the work of the following working groups:
- Compliance steering group
- Employer working group
+ Close cooperation with DNA's procurement, legal and HR departments.

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

DNA and human rights

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

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

In 2023, DNA's Sustainability Manager provided basic human rights training to DNA's information security personnel, explaining the impact of their roles in the enforcement of human rights. Human rights training was also provided to several key in-house employees via our internal learning platform. All those who were asked to complete the training did so.

Responsible procurement at DNA

DNA's major suppliers include equipment manufacturers, system providers, developers, and consulting companies. Some of our suppliers and subcontractors also operate in high-risk countries. We therefore expect all our partners to take financial, environmental and social responsibility into consideration in their operations. Our Code of Conduct is always an integral part of supplier agreements, and also applies to our supplier's subcontractors.

DNA enforces a Supplier Code of Conduct. During 2023, an increasing number of our new suppliers will also have signed Telenor's Supplier Conduct Principles. All new suppliers will sign Telenor's principles in 2024.

DNA adheres to Telenor's Business Partner Management model in its own operations. This policy provides DNA with a much more detailed and structured model that monitors the sustainability of all our suppliers' activities from the signing of the contract to the post-contract stage. DNA adopted Telenor's business partner risk management system at the beginning of 2023 to monitor, analyse and manage corrective measures related to shortcomings in responsible business conduct.

DNA inspired to climate action

One of DNA's key climate targets is to get about two-thirds (68%) of its partners to commit to Science Based Targets by 2030 – which is why DNA wanted to invite its partners to a Climate Morning to discuss climate action together.

We had plenty of good discussions at the event, ranging from the significance of companies' SBT climate targets to their practical implementation. A number of people offered their opinions at the event, including Erno Lehto (Head Of Sustainability at Eltel), Janne Peljo (Chief Policy Adviser at the Confederation of Finnish Industries), Jussi Tolvanen (DNA's CEO) and Janne Paldanius (VP, Procurement and Logistics at DNA).

Janne Paldanius, Erno Lehto and Jussi Tolvanen discuss the impacts of climate change on companies with Sustainability Manager Tuuli Nummelin.

One of DNA's SBTi targets is for two-thirds of our main suppliers (in terms of spend) to set Paris Agreement climate targets, and this objective became an important part of our procurement in 2023. A supplier that is unable to meet SBTi climate targets will be subject to an exemption process.

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

Anti-corruption and anti-bribery

DNA has zero-tolerance for corruption and bribery: the Group's Code of Conduct bans corruption, and this is also emphasised during the mandatory Code of Conduct training that is given to all employees on an annual basis. DNA also has separate guidelines for the giving and receiving of business gifts, and employees were provided with supplementary training in this area as well during 2023.

The company does not have a separate risk assessment process for corruption. Any corruption risks are assessed as part of the Group's risk management process. No incidents of corruption or bribery were identified at DNA in 2023.

Transparent advocacy

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

Communications on a particular topic are also a means of providing a balanced view of both the benefits and any challenges or problematic areas. Communication is respectful of the other party's views, such as a decision-maker or another type of stakeholder.

DNA is a member of the following organisations and unions:

- Finnish Federation for Communications and Teleinformatics (FiCom)
- Global System for Mobile Association (GSMA)
- Finnish Federation for Communications and Teleinformatics (FiCom)
- Service Sector Employers (Palta)
- Data & Marketing Association of Finland (ASML)
- Elektroniikan Tukkukauppiaat ETK ry
- Helsinki Region Chamber of Commerce

DNA also participates in activities run by FIBS (Finnish Business & Society), UN Global Compact Network Finland and ProCom – Viestinnän ammattilaiset ry. DNA personnel are members of working groups appointed by a number of authorities.

Telenor has joined the EU Transparency Register. The Transparency Register, aka the lobbyist register, has been introduced to answer basic questions such as: what interests are being represented at EU level, who represents those interests and with what budgets. The register is jointly maintained by the European Parliament and European Commission. DNA also prepared for the launch of Finland's national transparency register in 2023.

As part of the Telenor Group, DNA has been able to access Telenor's EU networks and expertise and join a joint Nordic platform in EU affairs. Telenor also has its own EU advocacy specialist stationed in Brussels.

DNA's tax footprint

In 2023, the taxes and tax-like fees paid by DNA in Finland amounted to EUR 199 million (189). DNA pays all its taxes in Finland. By doing so, DNA contributes to the development of Finnish society as a whole.

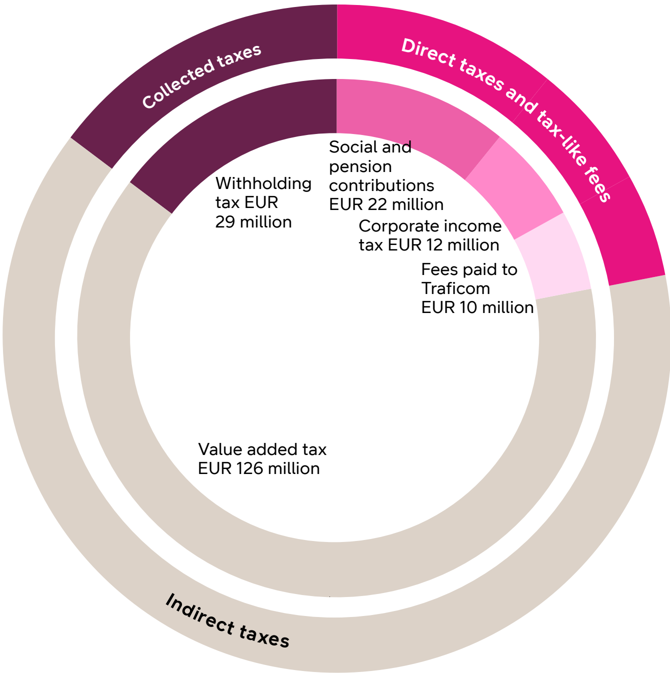
Taxes paid by DNA comprise direct, indirect, and collected taxes. Direct taxes consist of corporate income tax and tax-like fees paid directly by DNA. Value-added tax is an indirect tax paid by DNA. Collected taxes include tax collected and paid to the state, such as withholding taxes collected from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

Traficom is a public sector operator to which DNA pays tax-like fees, which totalled EUR 10 million in 2023 (10). These fees include spectrum licences, the information society fee, and communications network numbering fees.

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

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

Tax footprint



EUR million	2023	2022
Direct taxes and tax-like fees		
Social and pension contributions	22	19
Corporate income tax	12	17
Fees paid to Finnish Transport and	10	10
Communications Agency Traficom		
Indirect taxes	126	117
Value added taxCollected taxes		
Withholding tax	29	26
Source tax		0
Other self-assessed taxes		0
Total	199	189

A humane and one-of-a-kind place to work

For years, our philosophy has been this: the only way to get the most satisfied customers is to look after the well-being of our personnel. This is why the way we think, feel and act is humane. We want to provide everyone with the freedom to shine as individuals in a diverse workplace with a high level of employee well-being and an atmosphere of trust and responsibility.

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

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

Our workforce is diverse in many ways. DNA's workplace community comprises more than 1,700 professionals from a range of different fields. It includes experts in information and communication technologies, coding and programming, marketing and communications, legal affairs and regulation, customer service and sales, and human resources – and this represents just a fraction of our operations. DNA operates in 13 office locations around Finland and serves customers at more than 60 DNA Stores.

Satisfied personnel

Telenor's Group-wide personnel satisfaction survey provides us with valuable insights into the experiences of DNA employees, feedback for assessing the current situation and developments, and comparative information about where we are in relation to the other countries. 82% of employees responded to the survey in 2023, which is over 10% more than in 2022 (68%).

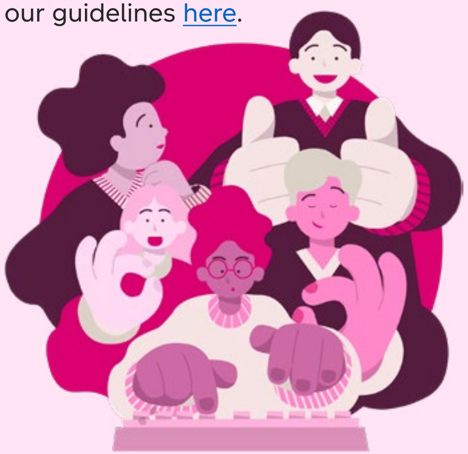
The results showed that our strengths lie in the trust we have in our immediate supervisors and a culture that emphasises the uniqueness of our employees. There is room for improvement in inter-unit

Guidelines for all our one-of-a-kind colleagues

DNA has a "one-of-a-kind" diversity team consisting of volunteers. The team has drawn up a set of guidelines for all DNA employees on how to be a good colleague in line with our values.This was a response to the team's shared desire to boost our sense of community spirit and further enhance the workplace atmosphere at DNA.

The team identified a strong need to understand all kinds of people, to have the courage to examine ourselves, and to actively seek out more human encounters at work. One Post it note that emerged from the workshop probably sums up the group's overall mindset very well: be sincere in your interactions with other people – be humane.

Read our guidelines here.



cooperation and our ability to learn from the previous year's results.

In order for the results to have a genuine impact on the development of our working culture and operations, all personnel will be involved in reviewing the results and planning future action. The results will be reviewed at three levels: team, function, and company.

One-of-a-kind, diverse DNA

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

In 2019, DNA conducted diversity mapping to discover how diverse DNA was and what kind of attitudes prevailed, and also to collect feedback on discrimination. This work continued in 2020 with the introduction of an operational plan to promote diversity. DNA's Omanlainen website was launched in 2021, and DNA organised more internal Omanlainen "one-of-a-kind" events in 2022. In 2023, the company developed guidelines on how to be a good colleague in cooperation with a team of DNA employees. May was the peak month for diversity and one-of-a-kind uniqueness at DNA: an internal team was trained, a neurodiversity event was held for all DNA employees, and partnership with Helsinki Pride was once again announced in collaboration with Elisa and Telia Finland.

DNA's diversity targets are monitored internally and reported to the Board of Directors twice a year. Our ultimate goal is to ensure a diverse workforce with a positively changed mindset towards diversity and inclusion. We have successfully reached our target: as many as 93% (92%) of DNA employees feel that they can be themselves at work, and 83% (83%) feel they can advance their careers regardless of their background.

Like many other companies in the IT sector, DNA is facing challenges in improving gender equality in management roles. We sought to increase the proportion of women in managerial positions to 28% in 2023, but failed, remaining at 20%. DNA must continue its efforts to train recruitment managers in order to reach its target of 40% by 2030. We will do this by paying special attention to the recruitment of women, people of all ages and non-native Finnish-speaking candidates, and also by promoting career path opportunities.

We promote health and well-being at DNA

We want our personnel to lead well-balanced, happy, healthy, and safe lives. DNA monitors and promotes personnel well-being in cooperation with internal and external stakeholder partners. Supervisors play an important role in enabling uncomplicated working practices and maintaining working capacity. If an employee faces challenges, DNA works with its occupational healthcare provider, Mehiläinen, to identify the best ways to support anyone with reduced working capacity. We also work continuously with our occupational healthcare service, as well as our pension and accident insurance providers, to learn how to identify work-related risk factors that decrease working capacity. Every year, we analyse the factors that increase the risk of disability among our personnel and launch targeted campaigns to combat them.

Sickness absences have decreased

Sickness absences decreased in 2023, and there were almost 2,200 fewer sick leave days than in the previous year. The biggest reason for sick leave days was prolonged absences. DNA has been working with supervisors, HR and occupational healthcare to find suitable career paths for people with partial working capacity. The reasons for prolonged sickness absences have been varied, but the main one has been mental health challenges.

If the sore points in someone's career revolve around working capacity, we primarily utilise our occupational healthcare's social welfare experts to provide career coaching. If the desire for a career change is triggered by professional aspirations, we can purchase career coaching from Barona or Katja Noponen Oy. DNA employees can also use DNA's own coaches to help them structure their career-related thoughts.

In May 2023, in order to promote the well-being of our employees, DNA organised a Mental Well-being Week that offered events covering various aspects of mental well-being, such as sleep, nutrition and exercise.

DNA also joined the Peace of Mind network in 2023. The Peace of Mind network makes mental health visible in the workplace. Its aim is to make strengthening mental health part of everyday life at all workplaces.

DNA recruits its summer employees without a CV or application letter

DNA recruited all of its nearly 100 summer employees for 2023 without requesting a CV or traditional application letter. DNA wanted to ease summer jobseekers' already heavy workloads, while also improving the applicant experience and making job seeking more equal.

DNA tried recruitment without CVs and application letters with Duunitori for the first time in autumn 2020. With this experience under its belt, DNA wanted to try out this new application method on a larger scale. The summer job campaign produced good results for DNA. A total of nearly 2,000 applications were received for open positions. The number of applicants was higher than in previous years.

Summer workers for 2024 will also be recruited through this tried and tested method.

Spirit of community supports well-being

A team that works well together often boosts well-being at work. Smooth teamwork has become more challenging with the growth of remote work and the resulting weaker sense of community. At DNA, we boost community spirit in many ways, such as team-specific events organised by team members, location-specific clubs organised by employees, and events organised by DNA Kummit ("DNA Peers").

We also enhanced our sense of community with a company visit to Vierumäki, where all DNA employees got to try out new sports from barre classes to archery. DNA also addressed the increased number of meetings by challenging DNA employees to reduce their meetings by 30% in order to increase high-quality encounters and focus on work.

Support for a better work-life balance

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

Flexible working

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

A family-friendly workplace

The Family Federation of Finland has granted DNA the Family-Friendly Workplace certificate. The evaluation criteria for the award consisted of the outcome of a family-friendliness survey among employees, the quality and implementation of our development plan, and Family Federation audits of the practical implementation of family friendliness at a number of DNA offices.

Easily accessible low-threshold mental health services

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

Grandparental leave

DNA's grandparental leave for employees is a well-established benefit, and several new grandparents took this leave in 2023. All DNA employees who become grandparents are entitled to one week's paid grandparental leave to spend time with their family. A total of almost 100 DNA employees have taken grandparental leave to date.

Support for looking after elderly relatives

An increasing proportion of the working population is worried about a senior citizen, such as a parent. The pilot stage started in early 2020. This employee benefit is provided in cooperation with Gubbe Sydänystävä Oy, which provides companionship services for senior citizens. DNA pays a large proportion of the non-medical service purchased by an employee for an elderly relative.

Career maintenance

Changes sometimes occur in an employee's working capacity, personal circumstances, or career aspirations. As a result, the person and the job no longer fit one another in the best possible way. Career maintenance enables employees to confidentially highlight all factors related to their working capacity, work and career, so that they can receive professional guidance.

Leadership by coaching with a human touch

DNA believes that good leadership lays the foundation for the growth, courage and success of our personnel, and also their well-being. Freedom, responsibility and trust are at the heart of leadership at DNA. Leadership by coaching places special emphasis on continuous interaction between supervisor and employee. DNA supports continuous interaction through regular one-to-one discussions between supervisors and team members.

At DNA, leadership is based on working in accordance with DNA's values. Value-based leadership skills are backed up by measurable leadership competences. One leadership development method that we employ involves a 360-degree survey aimed at supervisors. This survey assesses the supervisor's leadership competences in practice, and provides targeted support for any areas of development that are detected.

About 30 certified internal coaches support the work of all supervisors and employees at DNA. DNA coaches have been trained by Suomen Coaching Instituutti, and these skills enable them to find new perspectives on the dynamic development of individuals, groups, and organisations.

We support continuous learning for employees

For us, continuous learning is a vital resource that makes our work enjoyable and increases its meaningfulness. One of our strategic objectives is to be the best place to work and learn. Achieving this goal requires us to invest heavily in building a culture of continuous learning. DNA's coaching approach helps employees to develop their own way of thinking and gain new insights.

The Telenor Group's success and performance management process helps to support the development of every DNA employee. The process seeks to ensure that supervisors and team members engage in continuous and high-quality dialogue that supports personal growth and development and helps us carry out our tasks and achieve our goals.

The process includes:

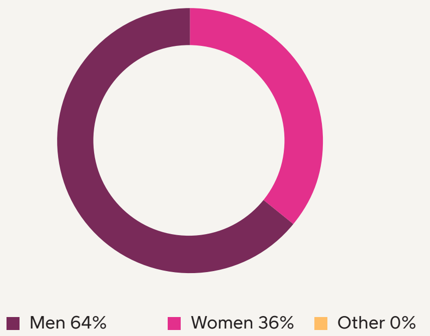
- monthly catch-up conversations with supervisors
- feedback requested from colleagues and feedback reviews with supervisors
- target setting and assessment
- an individual development plan.

DNA employees are also encouraged to learn continuously, for example, by challenging everyone to study for at least 40 hours per year. DNA employees also have access to a wide range of study opportunities for increasing and deepening their own competence. In addition to Telenor's and DNA's study paths and coaching, the Telenor Academy learning environment also offers a huge amount of learning materials in various formats. Licenses from a variety of providers are also offered.

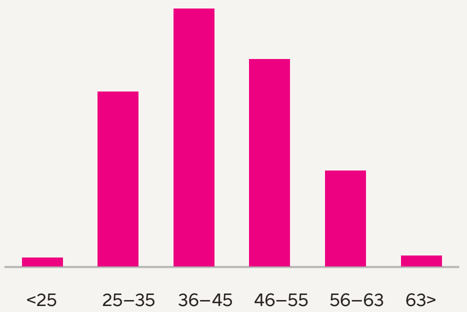
Developing language skills

After joining Telenor, DNA is rapidly becoming more international and there is an increasing need for English-language skills. As an internally bilingual workplace, DNA's language training partner provides interactive English lessons that our employees can attend at a time and place that is convenient to them. The aim is to improve each student's language skills by at least one level during the course, or otherwise help them achieve a sufficient number of credits. More than 100 DNA employees attended English-language courses in 2023.

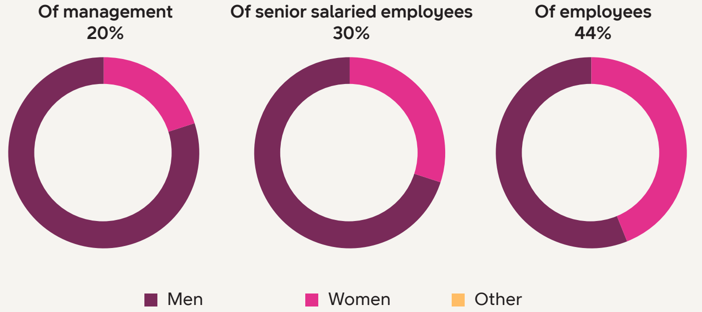
Gender distribution 2023



Age distribution 2023



Proportion of women 2023



Digitally inclusive Finland

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

Why is digital inclusion so important to DNA?

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

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

DNA also wants to help the most vulnerable and support new digital experts. In 2023, we continued our partnerships with SOS Children's Villages Finland, Helsinki Mission, Hope, Protect Children, Plan International Finland, the Finnish Association for the Welfare of Older People, and the Mimmit koodaa (Women Code) programme.

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

Girl power! Plan and DNA's joint project continues

Creating a fair digital world requires us to seek the views of different kinds of experts, which is why DNA and Plan International Finland continued their collaboration in 2023

This year, our cooperation focused on encouraging girls to study in the IT sector. DNA employees got to talk about their career paths, provide young people with up-to-date information about new trends in the sector, and encourage them to pursue their dreams.

DNA and Plan also held a joint event at SuomiAreena, where we discussed our latest report on developing digital skills and the challenges and dreams that young immigrants have when seeking work in Finland. Our panel consisted of three young people: Martha, Malika and Aleksandra. Their thoughts were also commented on by Ville Virtanen (DNA's Director of Technology), Päivi Honkatukia (a professor in youth studies), MP Nasima Razmyar, and Maria Wikberg from Plan. The discussion was moderated by DNA's Tuuli Nummelin.

DNA conducts surveys to increase awareness

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

In 2023, we published a study on the digital life of Finns and the digital skills of immigrant youth. We also published the annual School Survey to examine the phone use of Finnish children and young people, as well as the factors influencing the purchase and use of their phones. You can see all our surveys here.

We help consumers navigate the fast-changing digital landscape

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

Making day-to-day life easier for seniors

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

DNA has a support line, "Kiireetön linja" ("non-hurried service line"), that offers unhurried customer service to senior citizens in particular. This service is aimed at all DNA customers who need unhurried customer service and guidance due to, for example, old age or visual, hearing, or other impairments. DNA's customer service also has the necessary skills to serve customers who use voice synthesizers or other communication aids. Customers can also schedule a chat or video

meeting with customer service, for example, if they are hard of hearing or if seeing the problem will help the advisor solve it quicker.

In 2024, DNA will also publish best practices for serving senior citizens in DNA Stores in cooperation with the Finnish Association for the Welfare of Older Adults.

Collaboration with partners

We cannot achieve digital inclusion in isolation. We need to work with partners to make our work more effective and bring expertise to the table, so that the those most vulnerable in our society will also benefit from digitalisation. The aim of DNA's partnerships is not only to help the most vulnerable, but also to support new digital experts. We work with a variety of groups, including seniors, children and young people, low-income families, immigrants, and women.

SOS Children's Village

We support the child welfare organisation SOS Children's Village in various ways as a principal partner. Our partnership dates back to 2011. In 2021, our cooperation focused on the "Apuu" ("Help") chat service aimed at children aged 7 to 15 who feel vulnerable or threatened.

HelsinkiMissio

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

Are you addicted to your phone? Park it!

DNA's most visible tool for keeping smart device use within reasonable limits is our Puhelinparkki (Phone Park), which was released in late April. Phone Park has been created in cooperation with our sustainability partner Protect the Children. Thanks to its loose structure, the cardboard frame does not expose phones to excessive heating. The frame can also accommodate several phones. You can order Phone Parks free of charge from DNA's website for families, schools and workplaces.

[Order your own Phone Park]

Hope ry

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

Suojellaan Lapsia ry – Protect Children

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

Plan International Finland

In autumn 2021, DNA launched a project with the children's rights organisation Plan International Finland. DNA's main objectives for this cooperation include increasing diversity in its own operations and providing young people with an immigrant background with the opportunity to learn how to apply for jobs and explore the ICT sector as a workplace. Together, Plan International Finland and DNA trained nearly 300 young people in 2023.

The Finnish Association for the Welfare of Older Adults (VTKL)

DNA is the main cooperation partner in VTKL's Ikädigituki project, which is creating a nationwide helpdesk to promote the digital skills and digital inclusion of seniors. The partners will develop a free, low-threshold service for all types of digital problems and questions that older people may have. In 2024, DNA will also publish best practices for serving senior citizens in DNA Stores in cooperation with the Finnish Association for the Welfare of Older Adults.

Mimmit koodaa

DNA promotes the employment of women in technology in collaboration with the Mimmit koodaa (Women code) programme. In 2023, several DNA experts participated in Mimmit koodaa events as speakers.

Moving data within planetary boundaries

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

Why are climate-friendly operations so important to DNA?

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

The rapidly increasing use of data by consumers, businesses and society will inevitably increase telecommunications operators' electricity consumption. Our customers' mobile data use per subscription has long been among the highest in the world. As a result, operators face a new challenge: how to meet growing data needs while being mindful of the climate implications of increased energy consumption? To tackle this challenge, DNA decided to switch its direct electricity procurement to green energy and introduce new, more energy-efficient technologies. For example, a network's energy-saving functionalities can now be optimised with the aid of artificial intelligence solutions.

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

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

To be able to achieve the target, DNA will need to review the electricity contracts for its leased premises and include its carbon handprint services in the calculations over the coming years. In 2022, DNA surveyed all parties leasing radio network facilities and all DNA Stores operating in leased premises about the type of electricity that they used. This work also continued in 2023.

In 2021, we also expanded the Telenor Group's target to our suppliers. Our aim is for 68% of our largest suppliers (in terms of spend) to set science-based targets for their operations by 2025. DNA surveyed its main suppliers back in autumn 2021. Most of the suppliers included in the survey sent their responses to DNA by the end of 2021. Work continued in 2022: the survey was repeated by organising two remote sessions for suppliers and supplier-specific topics were discussed in individual meetings. DNA organised a Climate Morning event for its suppliers in 2023. Plenty of good discussions were had at the event, ranging from the significance of companies' SBT climate targets to their practical implementation.

Read more about Telenor's climate ambitions.

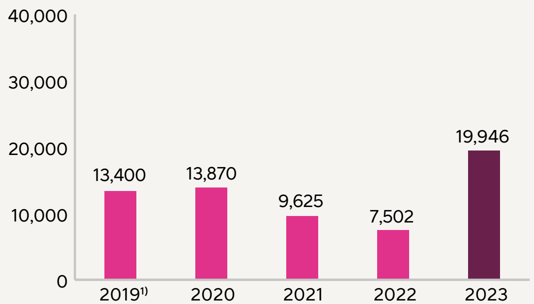
Electricity consumption is responsible for most of DNA's emissions

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

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

Our most significant emissions are indirect emissions. In 2023, DNA's indirect emissions (Scope 2, market-based) resulting from energy consumption were 19,946 CO_2t. This figure significantly increased compared to the previous year (7,502) mainly due to the nearly doubling of Finland's market-specific emission factor in the past year. Additionally, DNA

Indirect greenhouse gas emissions (market-based), tonnes



[1)] The method for collecting data for Scope 2 was adjusted in 2023. Emission figures for earlier years could not be updated to follow the new data collection method. As a result, emission data from different years is not fully comparable. Scope 2 emissions are based on both measurement and evaluation. DNA's Scope emissions are reported in their entirety as part of Telenor's sustainability report.

DNA's environmental management system granted ISO 14001:2015 certification

DNA obtained its first company-wide ISO certificate in December 2022. DNA adopted an ISO 14001-compliant EMS system at the beginning of 2022 and decided to certify the system during the year. The certificate needs to be renewed annually, and was also granted to DNA in 2023.

Systematic use of the EMS has provided DNA with a new approach that encourages continuous improvement by means of a critical review of the year's results twice a year.

was able to make refinements in its electricity consumption calculation with improved resources. Due to these reasons, the figures from previous years are not entirely comparable to 2023.

Despite the increased emission figures mentioned above, DNA was able to reduce its electricity consumption in both overall and from non-green sources during 2023.

Although the electricity we purchase is already 100% green and origin certified, we must strive to minimize Scope 2 emissions to influence the share of grey electricity in the rental premises where we operate.

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

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

Small actions, big impact

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

- DNA will introduce large-scale, energy-saving technologies that utilise artificial intelligence in its radio networks. Based on practical field experiments, the savings will be significant, with further improvements in efficiency expected at least on an annual basis. Among other things, artificial intelligence enables energy consumption reductions during periods of low traffic. In the past, generic network algorithms took care of computation, but artificial intelligence offers new possibilities to do that even more efficiently and accurately.
- DNA is also striving to abandon any ageing and energy-guzzling technology as soon as possible. For example, over the coming years, DNA will replace services that are based on the 3G radio network and telephone copper-based network with new solutions that utilise 5G and fibre technologies.
- All the electricity that DNA purchases directly is produced with renewable energy. All electricity purchased by DNA in 2023 was produced using wind power.

DNA makes long-term commitment to Finnish wind power

In 2023, DNA made a significant 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 per cent 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.

DNA's handprint: energy-efficient services

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

5G network

At the end of 2023, our 5G-network reached more than 5 million people in Finland. The network will be upgraded with the latest radio technology, which also offers the best energy-efficiency available. In the future, 5G will play an increasingly important role in the transmission of both fixed-network and mobile data. The network upgrade will make DNA's network energy efficient for years to come. You can follow DNA's 5G network construction here.

IoT

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

Hosting services

DNA offers hosting services for corporate customers to meet a variety of telecommunications needs. With no physical servers on their own premises, corporate customers can use servers at least five times more effectively in terms of emissions and electricity consumption. DNA's hosting services are provided by data centres that are managed and maintained by DNA in Finland. Read more about our hosting services.

Wattinen

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

DNA continued to provide climate-smart services in 2023.

Almost 20,000 devices recycled

DNA encourages its customers to recycle their old devices. According to a study conducted by DNA, the recycling of old devices through the company can reduce emissions by up to an estimated 1,000 tonnes (CO_2e) per year. This is equivalent to driving almost 5.5 million kilometres in a petrol car with average fuel consumption. By recycling devices, we also collect and put valuable metals back into circulation, as the batteries and screens of smart phones and laptops contain materials like gold, platinum, silver, and copper. We recycled 19,597 devices in 2023. This figure was down 44% on last year (35,089), which is an indication that DNA should actively seek to increase consumers' awareness both of the importance of the circular economy and the recycling services that DNA offers.

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

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

At the end of January, DNA launched an online second-hand phone store called Vaihtokapula.

Electronic waste is the world's fastest growing waste stream. Mobile phones also contain a lot of valuable precious metals whose mining leaves a considerable carbon footprint. Boosting the circular economy is one of the key ways of moving towards our climate goals. Vaihtokapula seeks to boost the circular economy by making it easier and safer to buy a used smartphone.

DNA has long been helping its customers to recycle phones and has offered trade-in refunds for used phones. DNA's Vaihtohyvitys trade-in credit service is also being constantly developed by listening to customers' wishes. Thanks to Vaihtokapula, DNA has also started selling used phones.

Learn more about Vaihtokapula.

Safeguarding data security

We are further improving our data security culture, so that we can reliably and effectively safeguard our customers' data.

Why do we want to safeguard data security?

As a provider of key services, DNA is aware of its critical role in safeguarding security of supply in our society. DNA wants to be a security-conscious service provider that safeguards its customers' data security. Which is why we work continuously to develop our security tools and processes and to make data security culture more robust, both within the company and among our partners.

During the past decade, the use of mobile devices that have a constant network connection has increased strongly among both business and private users. For example, vulnerabilities in mobile applications and software pose a significant threat to data security. Phone and text message scams on mobile devices have also increased, and it is much more difficult to identify scams when robotic process automation and language models also help scammers.

The theme is of great interest to our customers, and there was more public discussion on the subject. DNA must be able to provide its customers with reliable services even when critical infrastructure and service providers are increasingly likely targets.

Data security policy steers our operations

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

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

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

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

A high level of data security and protection

We make our data security and protection culture increasingly robust by training our personnel and informing them of the threats related to the telecommunications operator business. Data security is included in new employees' induction training, and we also have several Telenor Group-wide and DNA-specific mandatory training sessions that can be completed in Telenor's e-learning environment. Theme days are also organised for all personnel. DNA held two security-themed days in 2023, which focused on current topics and best practices related to data security and protection. We also organise additional targeted training for different professional groups.

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

Data security and protection issues have featured very highly in our customers' concerns. We have collated instructional material on data security and privacy protection on our website for our customers to use. Our website also publishes a live feed of cybersecurity alerts and announcements from Traficom's National Cyber Security Centre Finland (NCSC-FI).

New data security training for DNA customer service representatives

F-Secure conducted a security tour at all of DNA's customer service locations in 2023 together with DNA's experts. F-Secure also visited a few of DNA's call centres. The tours took place in February and October.

The tours tried to steer away from technical jargon, and took a plain-speaking approach to the topic and what customers expected of us. DNA's Digiturva data security application was also discussed during the tours.

DNA blocked more than 10 million scam calls in 2023

Our customers continued to be plagued by scam calls in 2023. A record number of calls from foreign fixed-network numbers were blocked, and a national system was introduced in October to block incoming foreign calls from any mobile subscriptions that were not using roaming at the time the call was placed. An average of almost one million calls were blocked per month in 2023.

In 2023, DNA introduced a system for blocking scam messages in text message traffic. Fraudsters were impersonating parcel delivery services, banks, mobile operators, and family members. Their goal was to gain access to the customer's bank account in order to transfer money or to get the customer to transfer money to the scammer's account. During the year, we once again identified scammers impersonating authorities. DNA blocked more than one million scam messages from reaching customers' phones last year.

DNA works actively and continuously with other telecommunications operators and Traficom to keep the network threat-free.

Services to boost our customers’ data protection

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

DNA Digiturva

DNA Digiturva provides an easy way to counter a variety of data security threats and protect devices, personal information and online activity with a single service. Read more here.

DNA Selausturva

DNA Selausturva is an additional service for subscriptions that blocks access to the best-known malicious websites. DNA Selausturva blocks malicious websites when use your device to browse in DNA's mobile network. The service also blocks pages that are not appropriate for children. Read more here.

Data security services for businesses

DNA has created a data security service package to support businesses in a changing operating environment. DNA’s experts maintain the services, leaving customers free to focus on their business without having to worry about data security. By choosing the right data security services, a company can not only secure its data, devices and networks, but also protect itself against denial-of-service attacks and provide secure remote connections for its employees. Read more here.

DNA’s reporting principles

Integration into Telenor's report

Unlike earlier years, DNA's sustainability report for 2023 has been drawn up using a lighter model. This is because DNA's reporting will be integrated into Telenor's Annual Report as part of the reporting changes arising from the EU's CSRD. As in previous years, DNA will not publish a table that complies with the Global Reporting Initiative (GRI) framework.

However, DNA will continue to publish subsidiary-specific information about social and environmental responsibility figures, regardless of Telenor's joint report. The exact reporting format will be specified during 2024.

DNA's subsidiary-specific information is also available in Telenor's 2023 Annual Report.

Assurance of the sustainability report

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

Contact details

We value stakeholder input. Do not hesitate to contact us if you would like to learn more about DNA’s sustainability themes.

Sustainability Specialist
(new sustainability specialist as of 1 January 2024)
Samu Malmelin
samu.malmelin@dna.fi

Key figures

Environmental indicators

Direct greenhouse gas emissions (Scope 1) (tCO_2)

	2023	2022	2021	2020	2019
Direct greenhouse gas emission	**83**	88.6[1)]	381	440	500

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

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

	2023	2022	2021	2020	2019[2)]
Indirect greenhouse gas emissions (market-based)	19,946	7,502	9,625	13,870	13,400

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

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

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

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

	2023
According to spend, the share of the largest suppliers of purchased goods, services and capital goods that have set science-based climate targets (SBTi) (%)	42.5

Environmental indicators

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

	2023	2022	2021	2020[1]	2019
Hazardous waste (also includes potentially hazardous WEEE waste)	0	103	83	N/A	10
Recyclable waste	161	235	136	N/A	415
Combustible waste	24	38	156	N/A	24
Disposable waste	464	2	96	N/A	11
Scrap electrical and electronic items[2]	289	197	249	N/A	N/A
Total	938	575	720	N/A	460

[1] No reliable figures are available for 2020 due to the low response rate among major waste management operators.
[2] Presented as a separate fraction due to DNA's business sector.

Mobile network energy intensity (kWh/GB)

	2023
Mobile network energy intensity	0.08031

Social responsibility indicators

Information on employees and other workers

Open-ended	2023	2022	2021	2020	2019
Women	**638**	640	620	608	623
Men	**1,042**	1,014	980	973	971
Other	**0**	0	0	N/A	N/A
Total	**1,680**	1,654	1,579	1,581	1,594

Fixed-term	2023	2022	2021	2020	2019
Women	**17**	18	8	9	14
Men	**19**	18	13	18	12
Other	**0**	0	0	N/A	N/A
Total	**36**	36	21	27	26

Full-time	2023	2022	2021	2020	2019
Women	**635**	634	584	569	584
Men	**1,056**	1,025	953	972	966
Other	**0**	0	0	N/A	N/A
Total	**1,691**	1,659	1,537	1,541	1,550

Part-time	2023	2022	2021	2020	2019
Women	**19**	24	43	48	54
Men	**6**	7	20	19	16
Other	**0**	0	0	N/A	N/A
Total	**25**	31	63	67	70

Diversity of governance bodies and personnel

Gender structure

By gender	2023	2022	2021	2020	2019
Women	**36%**	37%	39%	38%	39%
Men	**64%**	63%	61%	62%	61%
Other	**0%**	0%	0%	N/A	N/A
Total	**100%**	100%	100%	100%	100%

Share of women (%) per personnel group

Personnel groups include women as follows:	2023	2022	2021	2020	2019
Of management	**20%**	20.7%	19%	22%	23%
Of senior salaried employees	**29.6%**	30.2%	27%	28%	27%
Of salaried employees	**44%**	44.6%	46%	46%	47%

Age structure

By age group	2022	2022	2021	2020	2019
< 25	**1.2%**	1.2%	1%	1%	1%
25–35	**23.1%**	24.5%	24%	24%	25%
36–45	**34.0%**	35.3%	37%	38%	38%
46–55	**27.4%**	26.4%	26%	25%	24%
56–63	**12.7%**	12.0%	11%	11%	10%
> 63	**1.5%**	0.7%	1%	1%	1%
Total	**100%**	100%	100%	100%	100%

Social responsibility indicators

New employee hires and employee turnover

New hires and employee turnover

New hires	2023	2022	2021[1)]	2020	2019
Women	**50**	77	55	40	56
Male	**108**	136	62	73	102
Other	**0**	0	0	N/A	N/A
< 25	**33**	17	10	12	28
25–35	**81**	109	70	42	82
36–45	**22**	62	25	43	32
46–55	**17**	17	11	15	14
56–63	**5**	7	0	0	2
> 63	**0**	1	1	1	0

Employee turnover	2023	2022	2021[1)]	2020	2019
Women	**56**	54	50	76	66
Male	**89**	123	118	84	89
Other	**0**	0	0	N/A	N/A
< 25	**25**	18	2	19	21
25–35	**56**	66	51	47	55
36–45	**29**	40	58	37	42
46–55	**16**	24	24	25	16
56–63	**8**	10	18	20	12
> 63	**11**	19	15	12	9

[1)] 2021 data does not include summer help.

Average employee turnover

	2023	2022	2021	2020	2019
Average employee turnover, % (calculated from monthly average values))	**1.48**	1.3	1.98	1.6	1.73

Average hours of training per year per employee

	2023	2022	2021	2020	2019
Average hours of training per employee	**13,8[1)]**	14,5[1)]	21,5	18,8	13,4

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

DNA's Corporate Governance Statement 2023

DNA’s Corporate Governance Statement 2023

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

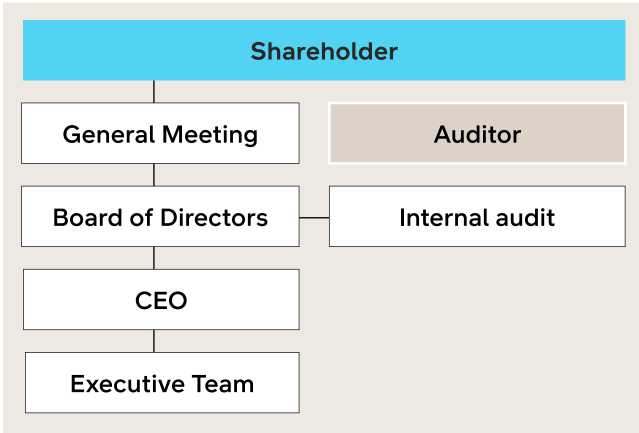
DNA complies with its Articles of Association, the rules of procedure of DNA’s Board of Directors, the Finnish Limited Liability Companies Act, Accounting Act and Securities Markets Act, and the rules, regulations and instructions issued by Nasdaq Helsinki Ltd and the Finnish Financial Supervisory Authority,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

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

This report describes DNA’s corporate governance in 2023 and is published as part of the Annual Report, separately from the Report of the Board of Directors.

DNA’s governing bodies

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



General Meeting

The General Meeting is DNA’s highest decision-making body. The Annual General Meeting (AGM) is held within six months of the end of the financial year. Extraordinary General Meetings can be organised as required. In accordance with Chapter 5 Section 1 of the Companies Act, the company can make decisions on matters within the competence of the General Meeting without holding a general meeting

According to DNA’s Articles of Association, the responsibilities of the Annual General Meeting (AGM) include:

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

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

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

DNA's sole shareholder, Telenor Finland Holding Oy, decided to make the decisions of the 2023 General Meetings without holding the meetings by signing the minutes. The decisions were made legally, in accordance with Chapter 5 Section 1 of the Companies Act. DNA announced the decisions with stock exchange releases on 30 March 2023, 29 September 2023 and 28 December 2023.

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. On 30 March 2023, it was decided that the Board of Directors shall have three members. Petter-Børre Furberg was elected as Chair of the Board, and Thomas Thyholdt and Cecilie Heuch as Members. Ernst & Young, a firm of Authorised Public Accountants, was elected as the company's auditor, with APA Mikko Järventausta as principal auditor.

On 29 September 2023, Jørgen C. Arentz Rostrup was elected as a new member and Chair of the Board of Directors as of 1 October 2023, when Petter-Børre Furberg left the Board.

No other changes were made to the Board of Directors.

On 28 December 2023, Mette Eistrøm Krüger was elected as a new member of the Board of Directors as of 1 January 2024. Jørgen C. Arentz Rostrup (Chair) and Thomas Thyholdt continued as members of the Board of Directors.

DNA's Board of Directors

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

Board of Directors in 2023

1 January 2023–1 October 2023 Petter-Børre Furberg (chair), Thomas Thyholdt, Cecilie Heuch

1 October 2023–31 December 2023 Jørgen C. Arentz Rostrup (chair), Thomas Thyholdt, Cecilie Heuch

The Board convened nine times in 2023.

Employee representatives at board meetings 1 January–31 December 2023 Teemu Kaski and Mika Oja (deputy Katja Komeza).

Board of Directors at the end of 2023

Jørgen C. Arentz Rostrup

Chair of the Board

- EVP, Telenor Group & Head of Telenor Nordics
- MSc (Econ)
- b. 1966

Cecilie Heuch

Member of the Board

- SVP, Chief Human Resource Officer, Telenor Nordics
- MSc
- b. 1965

Thomas Thyholdt

Member of the Board

- CFO & Head of Business Performance, Telenor Nordics
- Siviløkonom
- b. 1975

CEO

Jussi Tolvanen

b. 1978

MSc (Econ)

DNA's CEO since 2021

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

The CEO and the Executive Team

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

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

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

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.

Executive Team at the end of 2023

Timo Kipinoinen

CFO

MSc (Econ)

b. 1979

With DNA since 2019

Pekka Väisänen

Senior Vice President, Consumer Business

MSc (Econ)

b. 1966

With DNA 2003–2006 and again since 2007

Anna-Mari Ylihurula

Senior Vice President, Corporate Business

MSc (Tech), eMBA

b. 1971

With DNA since 2023

Ville Virtanen

Senior Vice President, Technology

Engineer, EMBA

b. 1975

With DNA since 2003

Bjørn Taale Sandberg

CSO

MSc (Computers), Master of Management

b. 1964

With DNA since 2022

Asta Rantanen

Senior Vice President, Corporate Affairs

LL.M.

b. 1962

With DNA since 2003

Marko Rissanen

Senior Vice President, Human Resources

Vocational Qualification in Business and Administration

b. 1974

With DNA since 2003

Sari Leppänen

CIO

PhD (Information Technology)

b. 1969

With DNA since 2023

Vilhelmiina Wahlbeck

Senior Vice President, Communications, Sustainability and Brand Development

MSc (Pol. Sc.)

b. 1976

With DNA since 2003

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

Risk management and internal control

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

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

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

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

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

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

Monitoring and oversight

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

The goals and objective of risk management

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

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

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

Risk management process

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

Control, monitoring, reporting

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

Main areas of monitoring, oversight and reporting:

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

Key risk management roles

Role of the Board of Directors of Telenor ASA
Telenor ASA's Board of Directors monitors and guides executive management by assessing the acceptable level of risk, keeping up to date with the main risks, and providing executive management with feedback on its activities.

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

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

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

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

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

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

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

Principles of internal control

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

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

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

Internal audit

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

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

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

Auditing of the Accounts

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

Auditing of the Accounts in 2023

Ernst & Young Oy was DNA's audit firm in 2023. The principal auditors were:

1 January–30 March 2023 APA Terhi Mäkinen

30 March–31 December 2023 APA Mikko Järventausta.

Board of Directors' Report and Financial statements 2023

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Board of Directors' Report 2023

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

DNA is no longer subject to reporting obligations as an issuer of shares as set out in the Finnish Securities Markets Act after Norwegian telecommunications group Telenor gained title to all outstanding shares in DNA on 3 February 2020, and the DNA shares were delisted from Nasdaq Helsinki. However, DNA is still subject to reporting obligations as an issuer of the senior unsecured fixed rate notes that are due in 2025 (ISIN: FI4000312095) listed in Nasdaq Helsinki stock exchange.

Unless otherwise stated, the comparison figures in brackets refer to corresponding year, 2022.

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.

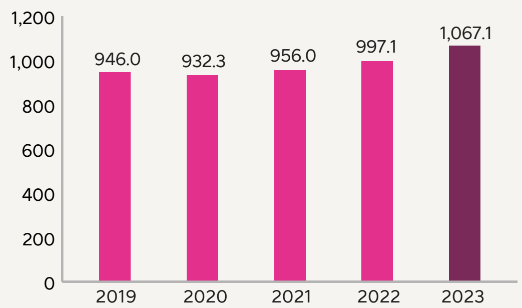
Total revenues and result

Consolidated key figures

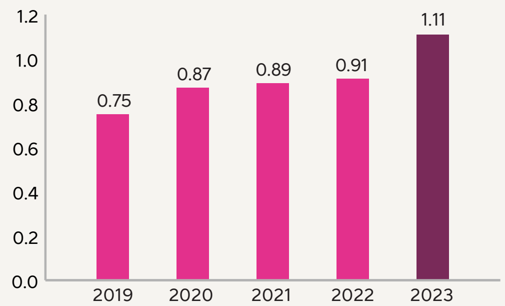
EUR million	1–12/2023	1–12/2022	Change, %
Total revenues	**1,067**	997	7
EBITDA	**390**	364	7
% of total revenues	**37**	37	
Operating result	**200**	160	25
% of total revenues	**19**	16	
Net result for the period	**146**	120	21

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).

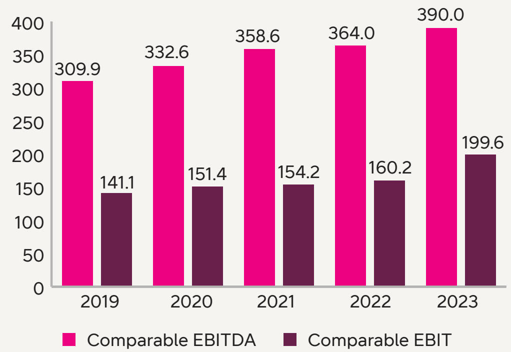
Total revenues, million



Earnings per share, eur



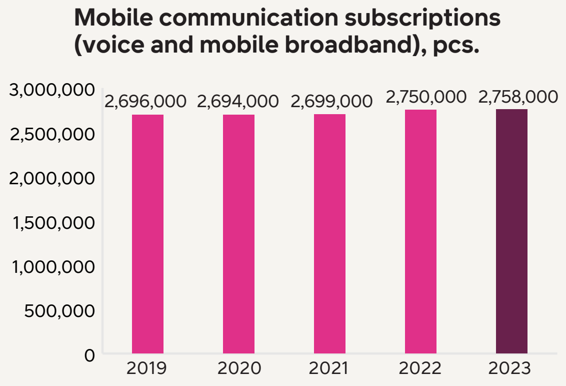
Comparable EBITDA and comparable EBIT, EUR million

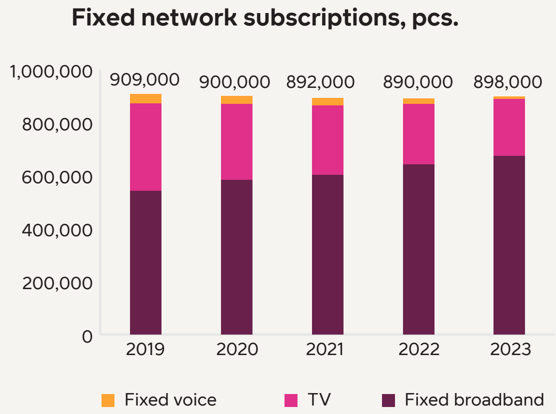


Key operative indicators

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

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

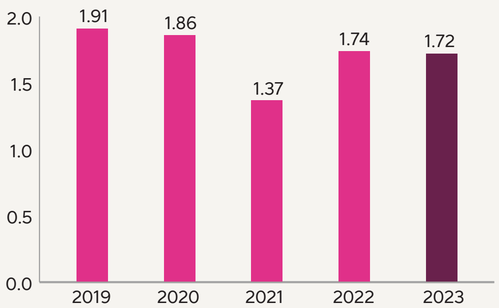




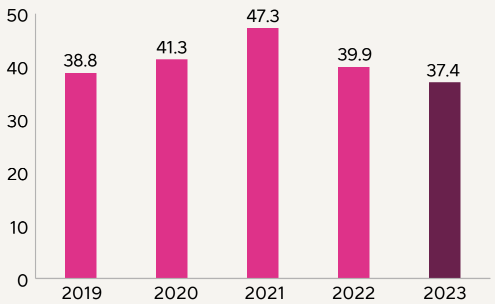
Cash flow and financial position

EUR million	1–12/2023	1–12/2022	Change, %
Cash flow after investing activities	**163**	99	65
Net debt	**670**	634	6
Net debt/EBITDA	**1.7**	1.7	
Net gearing, %	**104**	96	
Equity ratio, %	**37**	40	

Net debt / EBITDA, %



Equity ratio, %



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.

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.

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	1–12/2023	1–12/2022	Change, %
Total revenues	**844**	762	11
EBITDA	**327**	284	15
% of total revenues	**39**	37	
Operating result	**202**	152	33
% of total revenues	**24**	20	

In 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 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 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	1–12/2023	1–12/2022	Change, %
Total revenues	**223**	235	–5
EBITDA	**63**	80	–22
% of total revenues	**28**	34	
Operating result	**–3**	9	–130
% of total revenues	**–1**	4	

In 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 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.

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.

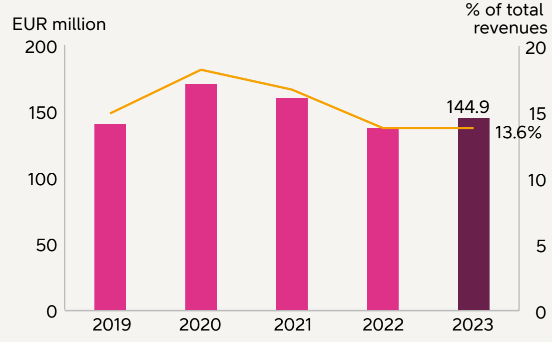
Capital expenditure includes annual cash instalments for capitalised spectrum licences.

EUR million	1–12/2023	1–12/2022	Change, %
Consumer business	137	107	28
Corporate business	62	60	4
Total capital expenditure	199	167	19

EUR million	1–12/2023	1–12/2022	Change, %
Operative capital expenditure[1)]	145	137	6
% of total revenues	14	14	
Lease investments (IFRS 16)	54	30	81
Total capital expenditure	199	167	19

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

Operative Capex, EUR million and Operative Capex, % of total revenues



In 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 145 million (137), or 14% of total revenues (14).

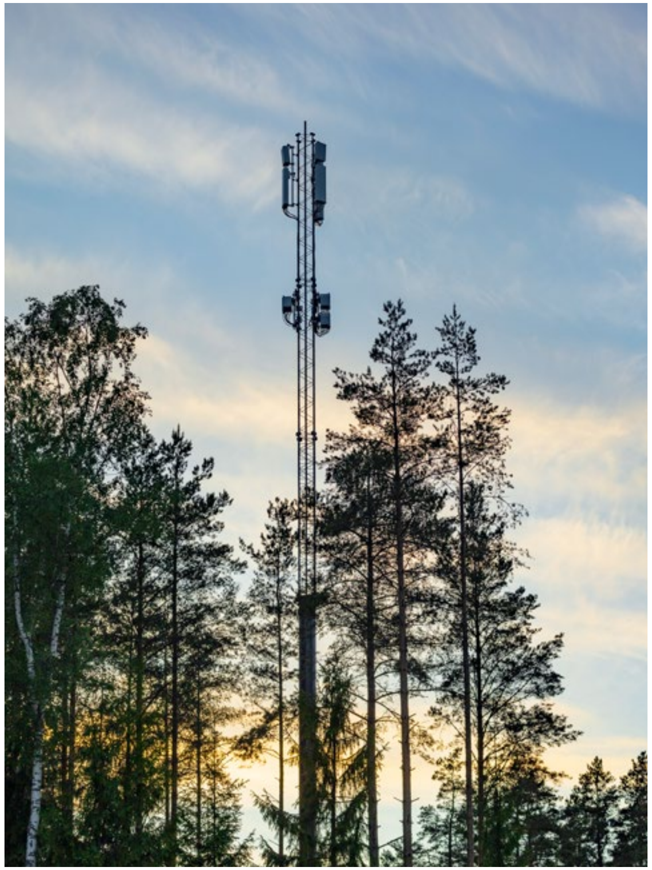
Major individual items included in capital expenditure for 2023 were mobile network capacity expansion and development, fibre optic networks, and transmission and IT systems. The increase in rental investments relates to the expansion of Finnish Shared Network Ltd's operations.

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 Dec 2023	31 Dec 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 for the year 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 Ilmalanlinna, 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. Ilmalanlinna'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.

Management and governance and significant litigation matters

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.

Management and governance

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

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

Changes in DNA's Executive Team in 2023

On 28 November 2022, DNA announced that **Anna-Mari Ylihurula**, eMBA, has been appointed as the SVP, Corporate Business and a member of the Executive Team. She took her position in August 2023. Until Ylihurula's appointment, **Pekka Väisänen**, SVP, Consumer Business, served as a acting SVP, Corporate Business.

On 17 February 2023, DNA announced that **Taneli Ropponen**, who had served as the company's acting CIO and a member of the Executive Team since September 2022, moved to the Nordic organisation of DNA's parent company Telenor and will therefore left his position. On 1 March 2023, **Vesa Savolainen**, VP, Business Support Systems and Customer Relationship Management at DNA, took over as acting CIO and a member of the Executive Team.

On 28 April 2023, DNA announced that **Timo Kipinoinen**, M.Sc. (Econ.), had been appointed CFO and a member of the Executive Team. Kipinoinen had been serving as an 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 position in August 2023.

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

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 Directos 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.

Board of Directors in 2023

1 January – 1 October 2023: **Petter-Børre Furberg** (Chair), **Thomas Thyholdt** and **Cecilie Heuch**.

1 October – 31 December 2023: **Jørgen C. Arentz Rostrup** (Chair), **Thomas Thyholdt** and **Cecilie Heuch**.

The Board convened 9 times in 2023.

Shares and shareholders

Shares

On 31 December 2023, DNA's shares totalled 132,303,500 (132,303,500) and the share capital registered in the Finnish Trade Register amounted to EUR 72,702,225.65 (EUR 72,702,225.65). At the end of December, DNA held 121,316 treasury shares.

Members of DNA's Executive team or Board of Directors did not have any holdings of DNA shares on 31 December 2023.

Sustainability

DNA's responsibility work is guided by the company's responsibility programme and its five key areas:
a humane and one-of-a-kind workplace, moving data within the limits of our planet, ensuring safe data use, digital equality and sustainable partnerships. DNA's corporate responsibility objectives are specified in the strategy. DNA has assessed corporate responsibility risks as part of the Group's overall risk management process.

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

EU Taxonomy and DNA

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

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

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

EU Taxonomy economic activity	Company products/technologies/services
Climate change mitigation 8.2 Data-driven solutions for GHG emissions reductions	Wattinen reduces the heating energy consumption of apartment buildings. Homes always have a suitable temperature during the heating season, energy is saved and residents only have to give up old thermostats. In addition, the investment in heating control with Wattinen made by the housing association is compensation neutral. Wattinen also helps in balancing the heating and planning the housing association's geothermal project.
Climate change mitigation 8.2 Data-driven solutions for GHG emissions reductions	Power Star for Radio Networks: RAN equipment that is part of equipment related energy consumption reduction. Utilizing software features to reduce energy consumption.
Circular economy 5.4 Sale of second hand goods	Sale of used handsets in Vaihtokapula store
Circular economy 5.5 Product-as-a-service and other circular use- and result-oriented service models	DNA Device as a Service: the customer receives a mobile terminal and lifecycle services for one monthly fee

Financial year 2023	2023			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')(h)									
Economic Activities (1)	Code (a) (2)	Turnover (3)	Proportion of Turnover, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		EUR million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%		
Of which Enabling		0	0%														0%		
Of which Transitional		0	0%														0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Data-driven solutions	CCM 8.2	0.5	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Sale of second hand goods	CE 5.4	0.7	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		
Product-as-a-service	CE 5.5	0.2	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1.3	0.1 %	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%								0.0%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		1.3	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%								0.0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		1,065.7	99.9%																
TOTAL		**1,065.7**	**100%**																

Financial year 2023	2023			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')(h)									
Economic Activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		EUR million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%		
Of which Enabling		0	0%														0%		
Of which Transitional		0	0%														0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Data-driven solutions	CCM 8.2	0.3	0.1 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.3	0.1%	0,1 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %								0.3%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		0.3	0.1%	0,1 %	0,0 %	0,0 %	0,0 %	0,0 %	0,0 %								0.3%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		199.1	99.9																
TOTAL[1]		**199.3**	**100%**																

[1] Total capex includes investments in tangible and intangible assets according to the financial statements 2023.
Eligible capex includes investments related to processes that are associated with taxonomy-eligible economic activities.

Financial year 2023	2023			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')(h)									
Economic Activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		EUR million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%		
Of which Enabling		0	0%														0%		
Of which Transitional		0	0%														0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Data-driven solutions	CCM 8.2	1.0	1.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Sale of second hand goods	CE 5.4	1.0	1.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2.0	2.1%	1,0 %	0,0 %	0,0 %	0,0 %	1,0 %	0,0 %								0.3%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)			2.1%	1,0 %	0,0 %	0,0 %	0,0 %	1,0 %	0,0 %								0.3%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		95.8	97.9%																
TOTAL [2)]		**97.8**	**100%**																

[2)] Total opex includes maintenance and rental expenses as well as other expenses that describe the expenses necessary to ensure the continued and effective functioning of property, plant and equipment, as reported in other operating expenses of the financial statements 2023. Eligible opex includes expenses related to processes that are associated with taxonomy-eligible economic activities.

Report on non-financial information

Business model description

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

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

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

Social responsibility and employee-related factors

One of the key objectives of DNA's strategy is to be a human and one-of-a-kind workplace. For many years, DNA has followed a philosophy: the most satisfied customers can only be achieved when the staff are doing well. DNA wants to ensure that everyone has the freedom to work as an owner in the most diverse working environment possible, where people can do well and work in an atmosphere of trust and responsibility.

DNA invests in staff development and aims to have a dedicated and competent employee in every role. Potential risks related to the availability of skilled personnel are addressed as part of the Group's risk management process.

DNA recognises that staff satisfaction has a positive impact on customer satisfaction. Therefore, DNA again took a number of measures to increase staff satisfaction and well-being.

Respect for human rights

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

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

There were no human rights violations related to DNA's own activities in 2023.

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

Environmental responsibility

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

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

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

Our most significant emissions are indirect emissions. In 2023, DNA's indirect emissions (Scope 2, market-based) resulting from energy consumption were 19,946 CO_2t. This figure significantly increased compared to the previous year (7,502) mainly due to the nearly doubling of Finland's market-specific emission factor in the past year. Additionally, DNA was able to make refinements in its electricity consumption calculation with improved resources. Due to these reasons, the figures from previous years are not entirely comparable to 2023.

Despite the increased emission figures mentioned above, DNA was able to reduce its electricity consumption in both overall and from non-green sources during 2023.

Although the electricity we purchase is already 100% green and origin certified, we must strive to minimize Scope 2 emissions to influence the share of grey electricity in the rental premises where we operate.

In 2022, DNA certified its environmental management system to the ISO 14001 standard, which was also renewed for 2023. As part of the Group's risk management process, DNA has identified possible physical risks related to climate change, such as the impact of weather extremes on networks. Furthermore, DNA has identified possible political and regulatory risks related to the transition to a low-carbon society as well as any risks and opportunities related to consumer behaviour. Mitigation practices have been specified for the identified risks.

Anti-corruption and anti-bribery

DNA has zero-tolerance of corruption and bribery: Telenor's Code of Conduct bans any corruption. Every DNA employee is required to attend Telenor´s Code of Conduct training. By the end of 2023, 100% of DNA personnel had completed the training. In addition, DNA's Sustainability Person and Fraud Manager train DNA personnel on DNA Group's anti-corruption policies and procedures as required.

DNA has separate guidelines for the giving and receiving of business gifts. DNA enforces a Supplier Code of Conduct which is appended to its agreements with suppliers and subcontractors. Its requirements include combating corruption and bribery. Any corruption risk is assessed as part of the Group's risk management process. There were no incidents of corruption or bribery at DNA in 2023.

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.

Market outlook for 2024

The year 2023 was overshadowed by market and global uncertainty. In December, the Bank of Finland estimated that the Finnish economy was in recession and that recovery would not begin until the end of 2024. During 2023, high inflation eroded consumers' purchasing power and the most common reference rates remained high, creating uncertainty also for DNA's economic outlook. However, a slowdown in inflation and a possible fall in interest rates will improve household purchasing power, creating opportunities for an economic recovery in the medium term.

We expect the competitive situation to remain tight. Mobile data usage will continue its multi-year growth trend, as people and businesses continue to make increasing use of digital services and video services over the web. As a result, demand for faster subscriptions is growing and per-subscription data usage is increasing. 5G subscriptions continue to account for a growing share of DNA's mobile subscriptions.

SMS and voice traffic is forecast to continue to decline on the mobile network. The market for fixed voice services is expected to continue to decline as DNA dismantles its remaining copper network by 2025.

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

We expect businesses to continue to migrate their applications to the cloud to improve operational efficiency, which will drive demand for secure high-speed connections. The long-standing digitisation of services in the private and public sectors will continue to create new digital business. The need for strong security and data protection will also be further underlined by the security environment, the digitalisation of society and the increasing use of digital networks and services.

The damage to the gas pipeline and submarine cable in the Baltic Sea in autumn 2023 shows that Finland must be prepared for external sabotage. We must be able to maintain our operational capability in all circumstances. We estimate that the importance of systematic work to secure domestic and international connections will become even more important in 2024. DNA has raised the level of preparedness through both technical and administrative measures.

DNA’s guidance for 2024

DNA will not issue guidance on its total revenues and EBITDA for 2024. DNA expects competition to remain intense in 2024, but that DNA’s business develops favourably. DNA's financial position and liquidity are estimated to remain good.

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.

Board of Directors' proposal on dividend payment

DNA Plc’s distributable funds in the financial statements amount to EUR 71,229,791.52 of which profit for the financial year came to EUR 39,940,267.45.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.46 per share will be distributed for the financial period ending 31 December 2023. Based on the number of shares on 31 December 2023, the total dividend to be paid comes to EUR 60,803,804.64. The Board proposes that the remaining profit be retained and carried further in the Group’s non-restricted equity. There have been no material changes in the financial position of the company since the end of the financial year. The company's liquidity is good, and in the opinion of the Board of Directors, the proposed profit distribution will not jeopardise the company's solvency.

DNA Plc

Board of Directors

Group key financial figures

EUR million	2023	2022	2021	2020[1]	2019[1]
Total revenues	**1,067.1**	997.1	956.0	932.3	946.0
EBITDA	**390.0**	364.0	358.6	332.6	305.6
% of total revenues	**36.5**	36.5	37.5	35.7	32.3
Comparable EBITDA	**390.0**	364.0	358.6	332.6	309.9
% of total revenues	**36.5**	36.5	37.5	35.7	32.8
Depreciation, amortisation and impairment	**190.4**	203.8	204.4	181.2	171.9
Operating result, EBIT	**199.6**	160.2	154.2	151.4	133.7
% of total revenues	**18.7**	16.1	16.1	16.2	14.1
Comparable operating result, EBIT	**199.6**	160.2	154.2	151.4	141.1
% of total revenues	**18.7**	16.1	16.1	16.2	14.9
Net result before tax	**182.7**	151.0	147.3	143.4	124.6
Net result for the period	**146.2**	120.3	117.7	114.8	98.8
Return on investment (ROI), %	**15.4**	12.5	12.1	12.5	12.1
Return on equity (ROE), %	**22.4**	16.8	16.5	19.0	17.1
Capital expenditure	**199.3**	167.4	191.3	307.9	158.7
Cash flow after investing activities	**162.6**	98.5	173.7	105.3	35.6
Net debt	**670.2**	634.0	491.7	619.5	584.1
Net debt/EBITDA	**1.72**	1.74	1.37	1.86	1.91
Net gearing, %	**104.4**	95.6	63.9	94.3	106.0
Equity ratio, %	**37.4**	39.9	47.3	41.3	38.8
Personnel at the end of period	**1,718**	1,695	1,604	1,609	1,624

[1] In financial statements 2020, the calculation method of the key figures regarding 2020 and 2019 differed from that of DNA's previous key figures and were presented the same way as the figures published by Telenor Group. In 2021, changes in accounting methods were made. The main changes concerned the reclassification of spectrum acquisitions from intangible assets to right-of-use assets and the corresponding reclassification of spectrum licence liabilities from non-interest-bearing to interest-bearing borrowings, which had an impact on the presentation of net debt and cash flows. In addition, some receivables were reclassified from non-current to current items, and certain items reclassified from current to non-current receivables. Figures for 2020 and 2019 were adjusted accordingly.

Reconciliation of comparable key figures

EUR thousands	2023	2022	2021	2020[1]	2019[1]
EBITDA	**389,983**	**364,015**	**358,591**	**332,613**	**305,575**
Fair value opinion	-	-	-	-	1,683
Share based programmes	-	-	-	-	1,572
Share based programme Bridge	-	-	-	-	878
Matching shares plan for personnel	-	-	-	-	157
Comparable EBITDA	**389,983**	**364,015**	**358,591**	**332,613**	**309,865**
Operating result	**199,594**	**160,206**	**154,163**	**151,418**	**133,692**
Write-off of other non-current assets	-	-	-	-	-
Fair value opinion	-	-	-	-	1,683
Share based programmes	-	-	-	-	1,572
Share based programme Bridge	-	-	-	-	878
Matching shares plan for personnel	-	-	-	-	157
Write-off of terrestrial network	-	-	-	-	3,109
Comparable operating result	**199,594**	**160,206**	**154,163**	**151,418**	**141,091**

[1] In financial statements 2020, the calculation method of the key figures regarding 2020 and 2019 differed from that of DNA's previous key figures and were presented the same way as the figures published by Telenor Group. In 2021, changes in accounting methods were made. The main changes concerned the reclassification of spectrum acquisitions from intangible assets to right-of-use assets and the corresponding reclassification of spectrum licence liabilities from non-interest-bearing to interest-bearing borrowings, which had an impact on the presentation of net debt and cash flows. In addition, some receivables were reclassified from non-current to current items, and certain items reclassified from current to non-current receivables. Figures for 2020 and 2019 were adjusted accordingly.

Cash flow and financial key figures

	2023	2022	2021	2020[1]	2019[1]
Cash flow after investing activities[1], EUR million	**162.6**	98.5	173.7	105.3	35.6
Net debt[1], EUR million	**670.2**	634.0	491.7	619.5	584.1
Net debt/EBITDA[1]	**1.72**	1.74	1.37	1.86	1.91
Net gearing[1], %	**104.4**	95.6	63.9	94.3	106.0
Equity ratio, %	**37.4**	39.9	47.3	41.3	38.8

[1] In financial statements 2021, the figures for the comparison periods 2020 and 2019 differed from those previously reported due to classification changes introduced in 2021, with particular impact on the comparison of changes in working capital.

Key operative indicators

	2023	2022	2021	2020	2019
Number of mobile subscriptions at end of period[1]	**2,758,000**	2,750,000	2,699,000	2,694,000	2,696,000
Average revenue per user (ARPU), EUR[2]	**18.2**	17.4	17.1	16.8	16.3
Number of fixed subscriptions at end of period[3]	**898,000**	890,000	892,000	900,000	909,000

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

Per-share key figures

	2023	2022	2021	2020	2019
Earnings per share, basic and diluted, EUR	**1.11**	0.91	0.89	0.87	0.75
Equity per share, EUR	**4.86**	5.02	5.82	4.97	4.17

Calculation of key figures

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

1) 12-month adjusted

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

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

DNA presents comparable EBITDA and comparable operating result, which have been adjusted with material items outside of ordinary course of business to improve comparability between periods. There were no items affecting comparability in the financial period or in the comparison period 2022. EBITDA, comparable EBITDA and comparable operating result are presented as complementing measures to the measures included in the consolidated income statement because, in DNA's view, they increase understanding of DNA's results of operations. Net debt, ratio of net debt to EBITDA, net gearing, equity ratio, return on equity and return on investment are presented as complementing measures because, in DNA's view, they are useful measures of DNA's ability to obtain financing and service its debts. Capital expenditure, operative capital expenditure and cash flow after investing activities provide also additional information of the cash flow needs of DNA's operations.

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

Financial Statements 2023

Consolidated income statement

EUR thousands	Note	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
Total revenues	5, 6	1,067,067	997,059
Materials and services[1]		–323,613	–300,139
Employee benefit expenses[1]	9	–129,650	–117,904
Depreciation, amortisation and impairments	8	–190,389	–203,810
Other operating expenses[1]	7	–223,822	–215,001
Operating result		199,594	160,206
Finance income	10	2,407	748
Finance expense	11	–19,351	–9,976
Share of associates' results	16	27	14
Net result before income tax		182,676	150,991
Income tax expense	12	–36,519	–30,672
Net result for the period		146,157	120,319
Attributable to:			
Owners of the parent company		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	13	1.11	0.91

[1] The presentation of certain income statement items in 2023 differ from that presented in the financial statements for 2022 with regard to the classification of materials and services, employee benefit expenses and other operating expenses. The reclassification between these expense categories was done in order to align DNA's reporting with that published by the Telenor Group in relation to DNA. The figures for the comparison period have been restated accordingly. The effects of the reclassification have been described in more detail in Note 2 Accounting principles.

Notes are an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income

EUR thousands	Note	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
Net result for the period		146,157	120,319
Items that will not be reclassified to profit or loss:			
Remeasurements of post-employment benefit obligations	24	170	426
Other comprehensive income, net of tax		170	426
Total comprehensive income		146,326	120,744
Attributable to:			
Owners of the parent company		146,326	120,744

Notes are an integral part of the consolidated financial statements.

Consolidated statement of financial position

EUR thousands	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Goodwill	15	338,706	338,706
Other intangible assets	15	118,416	122,492
Property, plant and equipment	14	462,348	453,371
Right-of-use assets	30	219,742	214,961
Investments in associates	16	1,276	1,249
Other investments	17	111	111
Other receivables	18	93,193	86,584
Deferred tax assets	19	6,659	7,113
Total non-current assets		**1,240,451**	**1,224,587**
Current assets			
Inventories	20	38,574	45,256
Trade and other receivables	18	430,164	374,472
Contract assets	5	859	845
Income tax receivables	18	9,413	9,939
Prepaid expenses	18	21,607	21,845
Cash and cash equivalents	21	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	22	72,702	72,702
Reserve for invested unrestricted equity	22	506,079	506,079
Treasury shares	22	–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**

EUR thousands	Note	31 Dec 2023	31 Dec 2022
LIABILITIES			
Non-current liabilities			
Borrowings	26, 27, 29	497,225	470,431
Lease liabilities	30	132,890	124,964
Pension obligations	24	771	982
Provisions	25	10,820	11,317
Deferred tax liabilities	19	67,358	59,818
Other non-current liabilities		11,234	11,817
Total non-current liabilities		**720,297**	**679,329**
Current liabilities			
Lease liabilities	30	43,588	47,005
Contract liabilities	5	2,518	3,369
Provisions	25	375	438
Trade and other payables	28	334,963	292,164
Income tax liabilities		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 consolidated financial statements.

Consolidated statement of cash flows

EUR thousands	Note	1 Jan–31 Dec 2023	1 Jan–31 Dec 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
Proceeds from sale of PPE		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			
Dividend distribution	22	–100,458	–200,917
Payment of group contributions		–33,600	–6,899
Proceeds from borrowings	26, 27	117,000	259,654
Repayment of borrowings	26, 27	–100,423	–111,429
Repayment of lease liabilities		–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 beginning of period	21	8,432	10,817
Cash and cash equivalents at end of period	21	3,526	8,432

EUR thousands	Note	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
[1)] Adjustments:			
Depreciation, amortisation and impairment	8	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	10, 11	16,944	9,435
Income tax expense	12	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	20	6,682	–7,038
Change in trade and other payables		–3,496	16,010
Change in net working capital		**–18,514**	**–23,935**

Notes are an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

EUR thousands	Note	Share capital	Reserve for invested unrestricted equity	Treasury shares	Retained earnings	Total equity
1 Jan 2022		**72,702**	**506,079**	**–1,728**	**192,357**	**769,410**
Comprehensive income						
Net result for the period					120,319	120,319
Other comprehensive income						
Total other comprehensive income, net of tax	24				426	426
Total comprehensive income		-	-	-	**120,744**	**120,744**
Transactions with owners						
Share-based payments	23				715	715
Dividend distribution	22				–200,917	–200,917
Group contribution	32				–26,880	–26,880
Total transactions with owners		-	-	-	**–227,082**	**–227,082**
31 Dec 2022		**72,702**	**506,079**	**–1,728**	**86,019**	**663,072**
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	24				170	170
Total comprehensive income		-	-	-	**146,326**	**146,326**
Transactions with owners						
Share-based payments	23				625	625
Dividend distribution	22				–100,458	–100,458
Group contribution	32				–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 consolidated financial statements.

Notes to the consolidated financial statements

1 General information

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

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

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

DNA Plc's Board of Directors approved the release of these consolidated financial statements at a meeting on 16 February 2024. Under the Finnish Limited Liability Companies Act, shareholders can approve or reject the consolidated financial statements in the Annual General Meeting held after the release.

2 Accounting principles

Basis of preparation

The Consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) the IAS and IFRS standards as well as SIC and IFRS interpretations applicable as at 31 December 2023. International Financial Reporting Standards refer to the standards and interpretations applicable by corporations set out by the Finnish Accounting Act and other regulations set out on the basis of this ordinance enforced for application in accordance with the procedure stipulated in the regulation (EC) No 1606/2002 of the European Parliament and of the Council. The notes to the Consolidated financial statements also comply with Finnish accounting and corporate legislation complementing the IFRS standards.

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

New and amended standards adopted by the Group

The Group has adopted the followings standards and amended standards during the financial year commencing 1 January 2023:

- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 (effective from 1 Jan 2023)*
- *Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (effective from 1 Jan 2023)*
- *Definition of Accounting Estimates – Amendments to IAS 8(effective from 1 Jan 2023*

These changes have not had material impact on the Group.

Subsidiaries

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

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

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

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

All inter-company transactions, receivables, liabilities, unrealised gains and internal profit distribution are eliminated in the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Distribution of profit between parent company shareholders and non-controlling shareholders is presented in the income statement, and distribution of comprehensive income between parent company shareholders and non-controlling shareholders is presented in the consolidated statement of comprehensive income. Non-controlling interest in equity is presented in the balance sheet as a separate component of shareholder's equity. The Group did not have any non-controlling shareholders during the financial years 2022 and 2023.

Associated companies

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

Associated companies are consolidated using the equity method. If the Group's share of the associated companies' losses exceeds the carrying amount of the investment, the investment is recognised in the balance sheet at zero value and the portion of the losses exceeding the carrying amount is not consolidated unless the Group has agreed to meet the associated companies' obligations. Unrealised profits between the Group and its associated companies are eliminated to the extent of the Group's share of ownership. The investment in each associated company includes goodwill arising from the acquisition. The Group's share of the associated companies' result for the financial year corresponding the Group's share of ownership is recognised separately below the operating result line. The Group's share of its associates' movements in other comprehensive income is recognised in the Group's other comprehensive income. The Group's associates have not had any such items during the financial years 2022 and 2023.

Joint arrangements

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

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

Segment reporting

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

In the financial year 2023, DNA made a change in the segment reporting, where some of the corporate customers were transferred to the consumer segment reporting. Comparative figures have not been restated accordingly.

Foreign currency translation

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

Foreign currency transactions

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

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

Property, plant and equipment

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

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

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

The depreciation periods are as follows:

Buildings and constructions	
Buildings	25 years
Constructions	10–25 years

Machinery and equipment	
Networks	5–30 years
Machinery and equipments	3–15 years

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

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

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

Intangible assets

Goodwill

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

Research and development expenditure

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

Contractual customer base

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

Other intangible assets

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

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

The useful lives of other intangible assets are as follows:

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

Inventories

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

Lease agreements

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

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

Impairment of property, plant and equipment and intangible assets

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

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

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

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

Employee benefits

Retirement benefit obligations

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

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

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

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

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

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

Share-based payments

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

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

Provisions

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

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

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

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

Current and deferred income tax

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

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

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

Deferred income tax is determined using tax rates enacted by the balance sheet date. Certain deferred taxes relating to assets and liabilities arising from a single transaction have been presented as net of the consolidated statement of financial position but as gross in the notes to the financial statements.

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

Revenue recognition

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

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

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

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

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

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

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

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

For more information, please see note 5.

Interest and dividend

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

Borrowing costs

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

Financial assets and liabilities

Classification of financial assets and liabilities

Financial assets

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

Impairment of financial assets

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

Financial liabilities

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

Derivative financial instruments

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

Cash

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

Share capital

Outstanding ordinary shares are presented in share capital.

Critical accounting judgements and key sources of estimation uncertainty

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

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

Business acquisitions

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

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

Valuation of intangible assets and property, plant and equipment

Intangible assets including goodwill represent approximately 31 per cent of DNA's total assets in 2023 (27) and property, plant and equipment represent approximately 25 per cent of DNA's total assets in 2023 (27).

Depreciation and amortisation expenses

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

Impairment testing

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

The determination of impairments of goodwill and other intangible assets as well as property, plant and equipment involves the use of estimates that include, but are not limited to, the cause, timing, and amount of the impairment. Impairment is based on a large number of factors, such as changes in current competitive conditions, expectations of growth in the telecommunications industry, increased cost of capital, technological obsolescence, discontinuance of services, current replacement costs, prices paid in comparable transactions, and other changes in circumstances that indicate an impairment exists. The identification of impairment indicators, as well as the estimation of future cash flows and the determination of fair values for assets (or groups of assets) require management to make significant judgments concerning the identification and validation of impairment indicators, expected cash flows, applicable discount rates, useful lives, and residual values. When determining the values in use for the cash generating units, additional planning uncertainties are factored in that reflect the risks of macroeconomic development, which could adversely affect future results of operations. The most significant assumptions in goodwill impairment testing comprise of growth in total revenues, development of EBITDA, determination of the discount rate (WACC), and long-term growth rate used after the five-year forecast period. The carrying amount of goodwill at 31 December 2023 was EUR 338.7 million (338.7). Further details on goodwill impairment testing, including a sensitivity analysis, are included in note 15.

Lease agreements

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

Provisions

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

Provisions recognized for future costs related to asset retirement obligations amounted to EUR 10.7 million on 31 December 2023 (11.2) and for onerous contracts EUR 0.0 million on 31 December 2023 (0.0). See note 25 for more information on provisions.

Revenue recognition

Principal or agent – gross versus net presentation

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

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

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

Effects of climate-related matters in financial statements

Climate-related matters have a direct impact on DNA's Consolidated Financial Statements only in regard to Group management's short-term incentive programs which include sustainability related targets (Note 18 Related party transactions).

New standards and interpretations not yet adopted by the Group

The following new accounting standards and interpretations have been published that are not mandatory until after 1 January 2023 reporting periods and have not been early adopted by the group:

- *International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12 (effective from accounting periods starting 9 Nov 2023 or later).*
- *Amendments to IAS 7 and IFRS: Supplier finance arrangements (effective from 1 Jan 2024 or later).*
- *Amendments to IAS 21 – Lack of Exchangeability (effective from 1 Jan 2025 or later)*
- *Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective from 1 Jan 2024 or later).*
- *Amendments to IFRS 16: Lease liability in a sale and leaseback (effective from 1 Jan 2024 or later).*

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

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

Change in presentation method

The presentation of certain income statement items in these consolidated financial statements 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 in relation to DNA. 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. The figures for the comparison period have been restated accordingly, as follows:

Impact on the consolidated income statement

EUR thousands	Restated reporting 1 Jan–31 Dec 2022	Restatement	Previous reporting 1 Jan–31 Dec 2022
Total revenues	**997,059**	-	**997,059**
Materials and services	–300,139	96,568	–396,707
Employee benefit expenses	–117,904	–2,172	–115,732
Depreciation, amortisation and impairments	–203,810	-	–203,810
Other operating expenses	–215,001	–94,395	–120,606
Operating result	**160,206**	-	**160,206**

The reclassification had no effect on other income statement items, key figures or the consolidated statement of financial position.

3 Financial risk management

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

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

Liquidity risk

Liquidity risk refers to situations where the Group's financial assets and extra funding opportunities fall short of the Group's requirements or the cost of raising funding s is higher than the market cost. Creating cash flow forecasts and determining any related uncertainties are the key measures to manage liquidity risk. At the end of 2023, the Group had a strong liquidity position with cash and cash equivalents of EUR 3.5 million (8.4), and borrowings (non-current and current excluding lease liabilities) of EUR 497.2 million (470.4). In addition to cash and bank deposits, DNA had group cash pool receivables of EUR 134.0 million (85.3) and unused credit facilities and other committed credit facilities of EUR 114.2 million (122.7). The Group's cash and bank deposits and undrawn committed credit facilities, excluding group cash pool receivable, amounted to EUR 117.8 million (131.2). Total borrowings increased by EUR 25 million in 2023.

Debt maturity analysis

2023

EUR thousands	Less than 1 year		1–5 years		Over 5 years		Total		Total
	Interest payment	Re-payment	Interest payment	Re-payment	Interest payment	Re-payment	Interest payment	Re-payment	Cash flow
Borrowings[1]	13,488	236,833	4,067	262,000	-	-	17,555	498,833	**516,388**
Lease liabilities[2]	-	44,412	-	115,556	-	8,179	-	168,147	**168,147**
Trade payables	-	113,401	-	-	-	-	-	113,401	**113,401**

2022

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

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

The following year's repayments are included in current liabilities. At balance sheet date, the average rate of variable rate loans was 4.53 per cent (2.82) and variable rate loans constituted 50 per cent (47) of the Group's borrowings.

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

Credit risk

The Group has a large number of customers and the individual receivable amounts are small, and as such there are no major individual risks. New customers are subjected to credit check as part of the ordering process, and if any existing customers are found to have credit problems, unsecured new sales are not made. In 2023, the impairment loss of trade receivables totaled EUR 4.4 million (3.3). The maximum exposure to credit risk at the reporting date is the carrying value of financial assets. Customers with weaker solvency are required to pay the basic charges in advance as a deposit. Counterparty risk refers to a situation where the other party fails to meet its obligations under the financing agreement. To restrict and monitor the counterparty risk, investments and derivative instruments are managed by counterparty, financial instrument and maturity limits. Counterparty risk mainly relates to the cash and cash equivalents of the company. DNA is not subject to any significant counterparty risk since cash and cash equivalents are distributed to several financial institutions with good credit ratings.

Trade receivables and contract assets

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

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

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

EUR thousands	2023	2022
Undue	276,558	255,515
1–45 days overdue	14,601	14,509
46–90 days overdue	673	1,741
91–180 days overdue	1,595	2,457
More than 180 days overdue	2,108	4,569
Total	**295,535**	**278,790**

Interest rate risk

The Group's interest rate risk primarily comprises interest rate sensitivity of financial items, referring to the direct effect of changes in the interest rate level on financial items, mainly borrowings, and historically also derivative instruments. DNA's interest rate risk arises from borrowings that are issued at floating rates and expose DNA to cash flow interest rate risk. To manage its interest rate risk, the Group may use interest rate derivatives. At 31 December 2023, DNA did not hedge any of its borrowings (hedged 0). At the end of 2023, the Group had no interest rate derivatives (0).

Borrowings issued at fixed rates, mainly the fixed rate bonds, expose the Group to fair value interest rate risk. As at 31 December 2023, 50 per cent of DNA's borrowings were fixed rate (53).

If interest rates had been one percentage point higher, with all other variables held constant, the calculated post-tax result would have been EUR 1.1 million lower (–1.0) and, with the corresponding decrease in interest rates, the calculated post-tax result would have been EUR 1.1 million higher (+1.0). The sensitivity analysis covers the Group's variable-rate loans, cash and cash equivalents.

Capital management

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

The capital structure can be influenced for example through dividend distribution, repayment of capital and planning the cash outflows for investments. The Group management monitors the development of the capital structure for example on the basis of the gearing and equity ratios as well as the det debt to EBITDA ratio. The Group's credit facility agreements do not include financial covenants. The equity ratio on the balance sheet date was 37.4 per cent (39.9) and net debt to EBITDA ratio was 1.72:1 (1.74:1).

Financial instruments by class

Financial assets

EUR thousands	2023	2022
Financial assets recognised at amortised cost		
Trade receivables[1]	295,535	278,790
Other financial assets recognised at amortised cost	23,904	10,128
Cash and cash equivalents	3,526	8,432
Financial assets recognised at fair value through other comprehensive income	111	111
Total	**323,076**	**297,461**

Financial liabilities

EUR thousands	2023	2022
Financial liabilities recognised at amortised cost		
Trade and other payables[2]	153,314	148,036
Borrowings	673,702	642,400
Total	**827,016**	**790,435**

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

4 Segment information

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

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

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

The primary key indicators for the segments' result monitoring comprise total revenues, EBITDA and operating result. Items not allocated to segments include finance items, share of associates' results and income tax expense. 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. 2022 comparative figures have not been adjusted accordingly.

The DNA Group operates in Finland, domestic operations accounting for a majority of its total revenues. In 2023, foreign operations accounted for EUR 26.2 million (24.4).

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

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
Employees, at 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
Employees, at 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 licences.

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

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

5 Revenue from contracts with customers

Aggregation of revenue

The group revenue consists of income from contracts with customers. The Consumer segment revenue in 2023 was EUR 844.3 million (761.9) and the Corporate segment revenue was EUR 222.8 million (235.2).

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

EUR thousands	1–12/2023		1–12/2022	
Timing of revenue recognition	Point in time	Over time	Point in time	Over time
Subscription and traffic		572,434		533,446
Interconnect revenues		28,515		33,404
Mobile revenues subscriptions		**600,950**		**566,849**
Other mobile revenues		23,802		17,161
Total mobile revenues		**624,752**		**584,010**
Non-mobile revenues	192,841	28,794	171,763	22,978
Other revenues[1]		3,652		3,633
Total revenues mobile operation	**192,841**	**657,197**	**171,763**	**610,621**
Telephony		11,674		13,856
Internet and TV		170,556		162,913
Other revenues		24,209		24,978
Total retail revenues		**206,439**		**201,748**
Wholesale revenues		10,590		12,927
Total revenues fixed operation		**217,029**		**214,675**
Total revenues	**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.

Assets and liabilities related to contracts with customers

DNA has recognised the following contract assets related to revenue. Contract assets include adjustments to subscription and device bundles as a result of revenue allocation to separate performance obligations on the basis of their relative standalone selling prices as well as deferred discounts. Discounts are recognised evenly throughout the contract period.

EUR thousands	2023	2022
Contract assets	871	852
Loss allowance	–12	–7
Total contract assets	859	845

DNA has recognised the following contract liabilities related to revenue. The debt consists mainly of activation and connection fees which are recognised to revenue during the contract period.

EUR thousands	2023	2022
Contract liabilities	2,518	3,369

Significant changes in contract assets and liabilities

The amount of contract assets has not notably changed during 2023. Contract liabilities have decreased by EUR 0.9 million due to slightly decreased installation sales.

Revenue recognised related to contract liabilities

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

EUR thousands	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the period	1,985	1,650

Management expects that 57 per cent (58) or EUR 0.9 million (1.5) of the transaction price allocated to the unsatisfied contracts as of 31 December 2023 will be recognised as revenue during the next reporting period. The remaining 43 per cent (42) or EUR 0.7 million (1.1) will be recognised during 2025 or later.

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

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

Assets recognised from costs to obtain a contract

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

EUR thousands	2023	2022
Asset recognised from costs incurred to obtain a contract at 31 December	90,600	84,289
Costs recognised throught profit and loss during the period	–39,378	35,830

6 Other operating income

EUR thousands	2023	2022
Rental income	2,989	3,046
Other income	662	587
Total	**3,652**	**3,633**

7 Other operating expenses

EUR thousands	2023	2022
Maintenance expenses	84,457	84,296
Sales and marketing expenses	69,159	64,384
External services	40,293	36,076
Other expenses	29,913	30,245
Total	**223,822**	**215,001**

DNA's financial reporting has been further aligned with Telenor Group during 2023 which has resulted in a reclassification of certain expenses between materials and services, employee benefit expenses and other operating expenses. The figures for the comparison period have been restated accordingly. For the year 2022, the reclassification resulted in an increase of other operating expenses in the amount of EUR 94.4 million.The most significant transferred items were related to commission payments and operation and maintenance costs.

Auditor's fees

EUR thousands	2023	2022
Ernst & Young Oy		
Audit fees	385	267
Tax services	-	46
Other services	237	183
Total	**622**	**496**

8 Depreciation, amortisation and impairment

EUR thousands	2023	2022
Depreciation and amortisation changes per category		
Intangible assets		
Customer base	3,800	3,800
Other intengible assets	40,905	41,052
Total	**44,705**	**44,851**
Property, plant and equipment		
Buildings and constructions	1,568	3,117
Machinery and equipment	94,324	108,184
Total	**95,892**	**111,300**
Right of use assets		
Other intangible assets	6,217	6,217
Land and water	557	482
Buildings and constructions	42,240	40,276
Machinery and equipment	778	684
Total	**49,792**	**47,658**
Total depreciation, amortisation and impairment	**190,389**	**203,810**

9 Employment benefit expenses

EUR thousands	2023	2022
Wages and salaries	102,730	96,094
Pension expenses – defined contribution plan	17,218	15,499
Pension expenses – defined benefit plan	40	69
Share-based payments	911	1,058
Other personnel expenses	8,750	5,183
Total	**129,650**	**117,904**

DNA's financial reporting has been further aligned with Telenor Group during 2023 which has resulted in a reclassification of certain expenses from other operating expenses to employee benefit expenses. Comparative figures have been restated accordinly. The effect of the reclassification increased personnel expenses by EUR 2.2 million in 2022 when compared to what was previously reported. The increase consisted mainly of other personnel expenses.

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

Number of personnel, average

	2023	2022
Consumer business	969	934
Corporate business	761	734
Total	**1,730**	**1,668**

10 Finance income

EUR thousands	2023	2022
Interest income from receivables	1,296	453
Foreign exchange gains	1,091	263
Dividend income from other investments	20	32
Total	**2,407**	**748**

11 Finance expense

EUR thousands	2023	2022
Interest expense	12,925	5,909
Other financial expenses[1)]	6,426	4,068
Total	**19,351**	**9,976**

1) Other financial expenses include financial expenses related to lease liabilities amounting to EUR 4.8 million (2.1).

12 Income tax expense

EUR thousands	2023	2022
Income tax, current year	–28,646	–23,782
Income tax, previous years	-	41
Change in deferred tax	–7,873	–6,931
Total	**–36,519**	**–30,672**

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

	2023	2022
Net result before tax	182,676	150,991
Income tax at Finnish tax rate (2023: 20%, 2022: 20%)	–36,535	–30,198
Tax effects of:		
Income not subject to tax	9	125
Non-deductible expenses	–46	–159
Income taxes from previous years	-	41
Adjustment to change in deferred tax	29	–492
Additional deductible expenses	24	10
Tax expense in the consolidated profit and loss statement	**–36,519**	**–30,672**

13 Earnings per share

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

	2023	2022
Net result attributable to owners of the parent, EUR thousands	146,157	120,319
Weighted average number of shares, thousands	132,182	132,182
Basic earnings per share, EUR/share	1.11	0.91
Weighted average number of shares for the purpose of calculating EPS adjusted for dilution, thousands	132,182	132,182
Earnings per share adjusted for dilution effect, EUR/share	1.11	0.91

14 Property, plant and equipment

EUR thousands	Land and water	Buildings and constructions	Machinery and equipment	Prepayments and non-current assets under construction	Total
31 Dec 2021					
Cost	695	75,942	1,940,881	43,840	2,061,359
Accumulated depreciation	-	–50,993	–1,540,635	-	–1,591,628
Net book amount	**695**	**24,948**	**400,248**	**43,840**	**469,730**
1–12/2022					
Opening net book amount	695	24,948	400,248	43,840	469,730
Additions and transfers	-	–17,408	128,517	–12,526	98,582
Disposals	-	–2,076	–9,294	-	–11,370
Accumulated depreciation relating to disposals	-	4,301	3,428	-	7,728
Depreciation charge	-	–3,117	–108,184	-	–111,300
Closing net book amount	**695**	**6,648**	**414,715**	**31,313**	**453,371**
31 Dec 2022					
Cost	695	56,458	2,060,104	31,313	2,148,571
Accumulated depreciation	-	–49,809	–1,645,391	-	–1,695,200
Net book amount	**695**	**6,648**	**414,715**	**31,313**	**453,371**
1–12/2023					
Opening net book amount	695	6,648	414,715	31,313	453,371
Additions and transfers	-	2,407	98,577	3,903	104,887
Disposals	-	-	–18	-	–18
Depreciation charge	-	–1,568	–94,324	-	–95,892
Closing net book amount	**695**	**7,487**	**418,950**	**35,217**	**462,348**
31 Dec 2023					
Cost	695	58,864	2,158,665	35,217	2,253,441
Accumulated depreciation	-	–51,377	–1,739,715	-	–1,791,092
Net book amount	**695**	**7,487**	**418,950**	**35,217**	**462,348**

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

15 Intangible assets and impairment testing

EUR thousands	Goodwill	Customer base	Brand	Other intangible assets	Prepayments and non-current assets under construction	Total
31 Dec 2021						
Cost	443,184	133,502	46,744	476,920	10,297	1,110,648
Accumulated amortisation and impairment	–104,479	–92,859	–24,565	–419,330	–3,057	–644,289
Net book amount	**338,706**	**40,643**	**22,179**	**57,590**	**7,240**	**466,359**
1–12/2022						
Opening net book amount	338,706	40,643	22,179	57,591	7,240	466,359
Additions and transfers	-	-	-	40,582	–892	39,690
Disposals	-	-	-	–36,745	-	–36,745
Amortisation relating to disposals	-	-	-	36,745	-	36,745
Amortisation charge	-	–3,800	-	–41,052	-	–44,851
Closing net book amount	**338,706**	**36,843**	**22,179**	**57,121**	**6,348**	**461,198**
31 Dec 2022						
Cost	443,184	133,502	46,744	480,756	9,405	1,113,593
Accumulated amortisation and impairment	–104,479	–96,658	–24,565	–423,636	–3,057	–652,395
Net book amount	**338,706**	**36,843**	**22,179**	**57,121**	**6,348**	**461,198**

EUR thousands	Goodwill	Customer base	Brand	Other intangible assets	Prepayments and non-current assets under construction	Total
1–12/2023						
Opening net book amount	338,706	36,843	22,179	57,121	6,348	461,198
Additions and transfers	-	-	-	39,165	1,464	40,629
Amortisation charge	-	–3,800	-	–40,905	-	–44,705
Closing net book amount	**338,706**	**33,043**	**22,179**	**55,382**	**7,812**	**457,123**
31 Dec 2023						
Cost	443,184	133,502	46,744	519,921	10,869	1,154,220
Accumulated amortisation and impairment	–104,479	–100,458	–24,565	–464,540	–3,057	–697,099
Net book amount	**338,706**	**33,043**	**22,179**	**55,382**	**7,812**	**457,123**

Goodwill allocation

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

EUR thousands	2023	2022
Consumer segment	295,272	192,222
Corporate segment	43,434	146,483
Total	**338,706**	**338,706**

Goodwill has been reallocated between CGUs due to a change in segment reporting from the beginning of 2023, where certain corporate customers were transferred to the consumer business segment.

Impairment testing

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

The recoverable amount (the higher of an asset's fair value less costs to sell and its value in use) of each CGU is defined as the value in use according to the projected discounted cash flows (the DCF method). Cash flow projections are based on the plans approved by management, covering a five-year period. Management considers the projections to reflect development to date and other information available from external sources. The (before tax) discount rate (weighted avarage cost of capital, WACC) used in testing represents 7.1–7.6 per cent depending on the segment. The forecasted growth rate after five years was 0.9–2.0 per cent, depending on the segment.

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

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

Applied parameters used in impairment testing and sensitivity analysis

Applied parameters 2023

Applied forecast parameters	Consumer segment 2023	Corporate segment 2023
Average growth in total revenues, %	3.3	3.7
Average operating margin, %[1]	43.3	27.9
Average investment, % of total revenues[1]	9.8	22.8
Growth after the forecast period, %	0.9	2.0
WACC, %	7.6	7.1
Amount of headroom, EUR million	3,566	23

[1] Five-year forecast period average

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

Sensitivity analysis of forecast parameters	Consumer segment 2023	Corporate segment 2023
Average EBITDA, % of total revenues	–24.8	–0.5
WACC, %	28.9	0.5

Applied parameters 2022

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

[1] Five-year forecast period average

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

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

16 Investments in associates

EUR thousands	2023	2022
1 January	1,249	1,240
Share of the result for the financial period	27	10
31 December	**1,276**	**1,249**

There was no goodwill related to the carrying value of associated companies in 2023 and 2022.

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

EUR thousands

2023	Domicile	Assets	Liabilities	Total revenues	Share of result	Group holding
Suomen Numerot Numpac Oy	Helsinki	1,217	490	1,853	27	33%
Kiinteistö Oy Otavankatu 3	Pori	2,577	11	166	0	36%
Kiinteistö Oy Siilinjärven Toritie	Siilinjärvi	319	36	44	0	38%

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

Interests in joint arrangements

	Group holding
Suomen Yhteisverkko Oy	49%

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

17 Other investments

EUR thousands	2023	2022
Shares in non-listed companies	111	111
Total	**111**	**111**

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

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

18 Trade and other receivables

EUR thousands	2023	2022
Non-current receivables		
Prepaid expenses[1]	90,600	85,944
Other non-current receivables	2,593	641
Total non-current receivables	**93,193**	**86,584**
Current receivables		
Trade receivables	295,535	278,790
Other current receivables[2]	134,629	95,682
Contract assets	859	845
Tax receivable	9,413	9,939
Prepaid expenses[3]	21,607	21,845
Total current receivables	**462,042**	**407,102**

1) Non-current prepaid expenses mainly consist of IFRS 15 accrued costs, EUR 90.6 million (84.3).
2) Most significant other current receivables consist mainly of Telenor group cash pool receivables, EUR 134.0 million (94.7).
3) Current prepaid expenses mainly consist of prepaid production rental invoices, prepayments for IT-support and other prepaid trade payables.

During 2023, the Group has recognised an impairment loss on trade receivables of EUR 4.7 million (3.5). Fair value of receivables corresponds to book value as the effect of discounting is not material considering the maturity.

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

	Contract assets		Trade receivables	
EUR thousands	**2023**	**2022**	**2023**	**2022**
1 January	7	12	8,003	7,045
Change in loss allowance recognised in profit or loss during the year	5	−5	4,742	3,485
Receivables written off during the year as uncollectible	-	-	−3,160	−2,527
31 December	**12**	**7**	**9,585**	**8,003**

19 Deferred tax assets and liabilities

Breakdown of deferred taxes

EUR thousands

Deferred tax assets 2023	1 Jan	Recognised in the income statement	Recognised in other comprehensive income	31 Dec
Provisions	2,754	107	–42	2,818
Unused taxable depreciation	858	–460	-	398
IFRS 16 leasing liabilities	32,801	1,866	-	34,667
Other temporary differences	4,289	67	-	4,357
Offset against deferred tax liabilities	–33,589	–1,992	-	–35,581
Total	**7,113**	**–411**	**–42**	**6,659**

Deferred tax liabilities 2023	1 Jan	Recognised in the income statement	Recognised in other comprehensive income	31 Dec
Fair value of assets through business combinations	11,245	–1,032	-	10,213
Accelerated depreciation	27,388	7,178	-	34,566
IFRS 16 right-of-use assets	32,310	1,965	-	34,275
Other temporary differences	22,542	1,342	-	23,884
Offset against deferred tax assets	–33,589	–1,992	-	–35,581
Total	**59,897**	**7,461**	**-**	**67,358**

The above disclosed deferred tax assets and liabilities reflect the IAS 12 amendment, effective from 1st January 2023, relating to the recognition of deferred tax for assets and liabilities arising from a single transaction. The amendment has affected the deferred tax assets and liabilities relating to leasing arrangements under IFRS 16 as well as the deferred tax assets and liabilities relating to asset retirement obligations for the dismantling of data centers, masts and telephone poles. The deferred taxes arising from the aforementioned items have been netted, respectively, in the Group's consolidated statement of financial position but are presented as gross values above. The total impact of the change amounted to 35.6 million euro at the end of 2023 and 33.6 million euro at the end of 2022.

Deferred tax assets 2022	1 Jan	Recognised in the income statement	Recognised in other comprehensive income	31 Dec
Provisions	3,469	–609	–106	2,754
Unused taxable depreciation	1,444	–586	-	858
IFRS 16 leasing liabilities	34,755	–1,954	-	32,801
Other temporary differences	3,854	436	-	4,289
Offset against deferred tax liabilities	–36,522	2,934	-	–33,589
Total	**7,000**	**220**	**–106**	**7,113**

Deferred tax liabilities 2022	1 Jan	Recognised in the income statement	Recognised in other comprehensive income	31 Dec
Fair value of assets through business combinations	12,347	–1,103	-	11,245
Accelerated depreciation	20,998	6,390	-	27,388
IFRS 16 right-of-use assets	34,608	–2,377	-	32,231
Other temporary differences	21,235	1,307	-	22,542
Offset against deferred tax assets	–36,522	2,934	-	–33,589
Total	**52,667**	**7,151**	**-**	**59,818**

20 Inventories

EUR thousands	2023	2022
Materials and supplies	38,574	45,256
Total	**38,574**	**45,256**

During the reporting period, an expense of EUR 226.8 million (173.3) was recognised in the income statement for materials and supplies. Impairments during the period were EUR 2.2 million (0.9).

21 Cash and cash equivalents

EUR thousands	2023	2022
Cash and cash equivalents	3,526	8,432
Total	**3,526**	**8,432**

22 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). 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.

Reserve for invested unrestricted equity

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

Treasury shares

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

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

Parent company DNA Plc's distributable funds as at 31 December 2023

EUR thousands	31 Dec 2023
Treasury shares	–1,728
Retained earnings	33,017
Net result for the period	39,940
Total distributable funds	**71,230**

Dividend distribution

The Company has distributed dividends for the financial period ending 31 December 2022:	
EUR per share	0.76
Total, EUR thousands	100,458

23 Share-based payments

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

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

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

Share-based payments

EUR thousands	2023	2022
Expense recorded	911	1,058
Payments (gross)	287	463

24 Pension obligations

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

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

EUR thousands	2023	2022
Funded defined benefit obligation	2,185	2,475
Fair value of plan assets	–1,414	–1,493
Deficit	771	982
Liability recognised in the balance sheet	**771**	**982**

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

	Present value of obligation	Fair value of plan assets	Total
1 Jan 2023	**2,475**	**–1,493**	**982**
Current service cost	40		40
Interest cost/income (–)	78	–48	30
	118	**–48**	**70**
Remeasurements recognised:			
Return on plan assets, excluding interest cost/income		109	109
Gain or loss arising from changes in financial assumptions	–250		–250
Experience adjustments	–71		–71
	–321	**109**	**–212**
Contributions:			
Contribution paid by employer		–69	–69
Benefits paid:			
Benefits	–87	87	-
31 Dec 2023	**2,185**	**–1,414**	**771**

Significant actuarial assumptions:

	2023	2022
Discount rate	3.80%	3.20%
Inflation	2.50%	2.60%
Salary growth rate	3.50%	3.60%
Benefit growth rate	2.70%	2.84%

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

2023	Men	Women
Plan participants retiring at the end of the financial year	21	25
Plan participants retiring 20 years after the end of the financial year	22	27

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

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

	Impact on defined benefit obligation		
2023	Change in assumption	Increase	Decrease
Discount rate	0.5 %	–6.8 %	7.6 %
Salary growth rate	0.5 %	0.8 %	–0.8 %
Pension growth rate	0.5 %	6.6 %	–6.0 %

	Addition of one year in assumption
Life expectancy	3.8 %

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

	Addition of one year in assumption
Life expectancy	**4.1 %**

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

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

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

Changes in the bond yields

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

Inflation risk

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

Salary risk

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

Life expectancy risk

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

Expected contributions to the post-employment benefit plan in 2024 are expected to total EUR 101 thousand.

The weighted average duration of the defined benefit obligation was 15 years (2022: 16 years, 2021: 19 years).

Undiscounted pension benefits are expected to mature as follows:

	Pension benefits		
EUR thousands	**2023**	**2022**	**2021**
Less than 1 year	92	71	63
1–5 years	425	436	410
5–10 years	520	541	554
10–15 years	552	558	566
15–20 years	579	591	594
Over 20 years	1,962	2,137	2,094
Total	**4,130**	**4,333**	**4,280**

25 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**

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

EUR thousands	31 Dec 2023	31 Dec 2022
Non-current provisions	10,820	11,317
Current provisions	375	438
Total	**11,195**	**11,756**

Asset retirement obligation

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

26 Borrowings

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

DNA has a long-term credit rating BBB+ from Standard & Poor's Global Ratings and CreditWatch positive.

27 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

	Reported in cash flows from financing activities			
EUR thousands	**Cash**	**Current borrowings**	**Non-current borrowings**	**Net debt**
1 Jan 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**

28 Trade and other payables

EUR thousands	2023	2022
Current financial liabilities carried at amortised cost		
Trade payables	113,401	116,985
Accrued expenses[1]	91,072	86,784
Advances received	46,232	23,718
Contract liabilities	2,518	3,369
Other current liabilities	84,259	64,677
Total current liabilities	**337,481**	**295,533**

[1] Accrued expenses comprise, among others: holiday pay and bonus accruals including social expenses totaling EUR 25.7 million (24.4), interest expense accruals in the amount of EUR 2.6 million (2.6) and deferred income in the amount of EUR 9.9 million (11.9).

29 Fair value of borrowings

Non-current borrowings

	2023		2022	
EUR thousands	Carrying amount	Fair value	Carrying amount	Fair value
Bonds	248,391	240,687	247,080	233,779
Other borrowings	248,833	249,348	223,350	220,248
Lease liabilities	132,890	132,890	124,964	124,964
Total	**630,114**	**622,925**	**595,395**	**578,991**

Current borrowings

	2023		2022	
EUR thousands	Carrying amount	Fair value	Carrying amount	Fair value
Lease liabilities	43,588	43,588	47,005	47,005
Total	**43,588**	**43,588**	**47,005**	**47,005**

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

30 Lease agreements

Amounts recognized in the balance sheet

Right-of-use assets

EUR thousands	Land and water	Buildings and constructions	Machinery and equipment	Other intangible assets	Total
31 Dec 2021					
Cost	5,864	229,672	1,992	100,248	337,776
Accumulated depreciation	–955	–76,552	–917	–26,799	–105,222
Net book value	**4,909**	**153,121**	**1,076**	**73,449**	**232,554**
1–12/2022					
Opening net book value	4,909	153,121	1,076	73,449	232,554
Additions and transfers	384	28,929	752	-	30,065
Disposals	–55	–1,481	–386	-	–1,922
Accumulated depreciation relating to disposals and transfers	55	1,481	386	-	1,922
Depreciation charge	–482	–40,276	–684	–6,217	–47,658
Closing net book value	**4,811**	**141,774**	**1,144**	**67,232**	**214,961**
31 Dec 2022					
Cost	6,193	257,120	2,358	100,248	365,919
Accumulated depreciation	–1,381	–115,346	–1,215	–33,016	–150,958
Net book value	**4,811**	**141,774**	**1,144**	**67,232**	**214,961**
1–12/2023					
Opening net book value	4,811	141,774	1,144	67,232	214,961
Additions and transfers	331	15,407	47,105	-	62,843
Disposals	–86	–401	–2,899	-	–3,386
Accumulated depreciation relating to disposals and transfers	86	–6,286	1,314	-	–4,886
Depreciation charge	–557	–42,240	–778	–6,216	–49,792
Closing net book value	**4,585**	**108,254**	**45,886**	**61,016**	**219,742**
31 Dec 2023					
Cost	6,438	272,126	46,564	100,248	425,376
Accumulated depreciation	– 1,853	–163,872	–679	–39,232	–205,636
Net book value	**4,585**	**108,254**	**45,886**	**61,016**	**219,742**

The average weighted discount rate for lease liabilities on 31 December 2023 was 2.6 per cent (2.3). The net deferred tax assets relating to IFRS 16 lease arrangements amounted to EUR 0.5 million (0.6).

Lease liabilities

EUR thousands	2023	2022
Non-current	132,890	124,964
Current	43,588	47,005
Total	**176,478**	**171,969**

Amounts recognized in the statement of profit and loss

Depreciation charge of right-of-use assets

EUR thousands	2023	2022
Land and water	557	482
Buildings and constructions	42,240	40,276
Machinery and equipmet	778	688
Other intangible assets	6,217	6,217
Total	**49,792**	**47,662**

Interest expense

EUR thousands	2023	2022
Total	**4,827**	**2,059**

Expense relating to short-term leases[1)]

EUR thousands	2023	2022
Total	**5,408**	**2,758**

1) Short-term lease agreements consist mainly of lease agreements for premises. The commitment for the notice period is EUR 1.5 million (1.4).

Investment property

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

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

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

DNA as lessor: as per IFRS 16, the property's premises rented to third parties are valued at fair value on the basis of the lease agreements. The fair value of the investment property is EUR 2.3 million in the end of 2023 (3.0). During 2023, rental income amounted to EUR 2.8 million (2.6).

31 Guarantees and contingent liabilities

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

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

32 Related party transactions

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

Subsidiaries and ownerships

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

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

The following related party transactions were carried out

EUR thousands	Organisations exercising significant influence		Associated companies	
	1–12/2023	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	-

Key management compensation

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

EUR thousands	2023	2022
Salaries and other short-term employee benefits	2,165	3,527
Pension expenses – defined contribution plan and defined benefit plan	635	903
Share-based payments (gross)	174	396
Total	**2,974**	**4,826**

EUR thousands	2023	2022
CEO Jussi Tolvanen's salary and other benefits		
Salaries and other short-term employee benefits	396	364
Pension expenses	77	76
Share-Based payments (gross)	56	108
Total	**529**	**548**

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

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

Management's and CEOs' pension commitments

The Group CEO, his deputy and members of the Group management are entitled to defined benefit pension at the age of 62. They have supplementary defined contribution plans.

Parent company income statement, FAS

EUR thousands	Note	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
TOTAL REVENUES	1	899,373	839,167
Other operating income		**10,834**	**9,541**
Materials and services			
Purchases		–189,387	–180,343
Change in inventory		–6,682	7,038
External services		–191,016	–196,200
Total materials and services		**–387,085**	**–369,504**
Employee expenses			
Salaries and commissions		–87,214	–79,108
Social expenses			
Pensions		–14,769	–13,345
Other social expenses		–3,838	–2,701
Total employee expenses		**–105,821**	**–95,154**
Depreciation, amortisation and impairment	2		
Depreciation and amortisation according to plan		–119,387	–136,090
Total depreciation, amortisation and impairment		**–119,387**	**–136,090**
Other operating expenses	3	**–202,182**	**–183,733**
OPERATING RESULT		95,732	64,227

EUR thousands	Note	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
Finance income and expense	4		
Income from other investments		20	36
Other interest and financial income		2 390	815
Interest and other financial expenses		–13 573	–7 478
Total finance income and expense		**–11 163**	**–6 627**
RESULT BEFORE APPROPRIATIONS AND TAX		84 569	57 600
Appropriations	5		
Change in depreciation difference		–24 222	–20 126
Group contribution		–8 831	10 068
Total appropriations		**–33 053**	**–10 058**
Income tax expense	6	–11 576	–10 845
NET RESULT FOR THE PERIOD		39 940	36 696

Parent company balance sheet, FAS

EUR thousands	Note	31 Dec 2023	31 Dec 2022
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	7		
Intangible rights		52,079	59,244
Goodwill		72,817	79,376
Other capitalised expenditure		50,232	50,978
Prepayments and non-current assets under construction		7,033	5,722
Total intangible assets		**182,162**	**195,320**
Property, plant and equipment	7		
Land and water		439	439
Buildings and constructions		11,961	12,238
Machinery and equipment		266,179	271,864
Advances paid and construction in progress		26,279	22,006
Total tangible assets		**304,858**	**306,547**
Investments	8		
Holdings in Group companies		101,512	101,512
Shares in associated companies		3,982	3,982
Other shares and holdings		1,391	1,330
Total investments		**106,885**	**106,824**
TOTAL NON-CURRENT ASSETS		593,905	608,690

EUR thousands	Note	31 Dec 2023	31 Dec 2022
CURRENT ASSETS			
Inventory			
Materials and supplies		38,574	45,256
Total inventory		**38,574**	**45,256**
Non-current receivables			
Trade receivables		58,157	51,420
Receivables from Group companies	9	6,000	6,000
Other receivables		4,814	6,445
Deferred tax asset	10	1,237	1,217
Total non-current receivables		**70,207**	**65,082**
Current receivables			
Trade receivables		193,911	193,627
Receivables from Group companies	9	114,511	68,429
Other receivables		901	958
Prepaid expenses	11	23,730	27,098
Total current receivables		**333,053**	**290,111**
Cash and cash equivalents		**733**	**753**
TOTAL CURRENT ASSETS		442,567	401,202
TOTAL ASSETS		1,036,472	1,009,892

EUR thousands	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
EQUITY	12		
Share capital		72,702	72,702
Treasury shares		–1,728	–1,728
Retained earnings		33,017	96,780
Result for the period		39,940	36,696
TOTAL EQUITY		**143,932**	**204,450**
APPROPRIATIONS			
Depreciation difference		114,901	90,679
TOTAL APPROPRIATIONS		**114,901**	**90,679**
PROVISIONS	13	**4,691**	**3,962**

EUR thousands	Note	31 Dec 2023	31 Dec 2022
LIABILITIES			
Non-current liabilities	14		
Borrowings		250,000	250,000
Intercompany borrowings		236,833	208,249
Other non-current liabilities		11,503	13,137
Deferred tax liability	10	223	404
Total non-current liabilities		**498,560**	**471,789**
Current liabilities			
Advances received		5,076	5,393
Trade payables		84,436	84,717
Liabilities to Group companies	15	101,784	62,965
Other current liabilities		19,295	17,048
Accrued expenses	16	63,798	68,889
Total current liabilities		**274,389**	**239,011**
TOTAL LIABILITIES		**772,948**	**710,801**
TOTAL EQUITY AND LIABILITIES		1,036,472	1,009,892

Parent company cash flow statement, FAS

EUR thousands	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
Cash flows from operating activities		
Net result for the period	39,940	36,696
Adjustments[1]	175,399	163,192
Change in net working capital[2]	–7,168	–21,954
Financial items	–2,988	–5,639
Dividends received	20	36
Income taxes paid	–4,428	–7,294
Net cash generated from operating activities	**200,776**	**165,037**
Cash flows from investments		
Investments in property, plant and equipment (PPE) and intangible assets	–100,788	–109,297
Proceeds from sale of PPE	34	348
Other investments	–62	–143
Short-term investments increase (–) / decrease (+)	–24,076	–554
Net cash used in investing activities	**–124,892**	**–109,646**
Cash flows from financing activities		
Dividend distribution	–100,458	–200,917
Proceeds from borrowings	104,487	266,224
Repayment of borrowings	–90,000	–110,000
Group contributions received	10,068	–12,399
Net cash used in financing activities	**–75,904**	**–57,092**

EUR thousands	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
Change in cash and cash equivalents	**–20**	**–1,701**
Cash and cash equivalents at beginning of year	753	2,454
Cash and cash equivalents at end of year	733	753
[1] Adjustments:		
Depreciation, amortisation and impairment	119,387	136,090
Gains and losses on disposals of non-current assets	–34	160
Other non-cash income and expense	33,053	10,058
Finance income and expense	11,163	6,627
Income tax expense	11,576	10,845
Change in provisions	254	–589
Total adjustments	**175,399**	**163,192**
[2] Change in net working capital:		
Change in trade and other receivables	–7,327	–19,919
Change in inventories	6,682	–7,038
Change in trade and other payables	–6,523	5,004
Total change in net working capital	**–7,168**	**–21,954**

Parent company accounting principles, FAS

Information regarding the Group

The company is a part of the DNA Group. DNA Plc is the parent company of the DNA-Group, domiciled in Helsinki. Copies of the Consolidated Financial Statements are available online at www.dna.fi or at the Group parent company head office at Läkkisepäntie 21, 00620 Helsinki, Finland.

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

Valuation principles

Fixed assets

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

The depreciation/amortisation periods are:

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

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

The company has made full increased depreciation for tax purposes in accordance with the Tax Relief Act in 2023.

Inventory valuation

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

Financial assets

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

Research and development and other long-term expenditure

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

Pensions

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

Deferred tax

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

Comparability with prior period

In order to present comparable figures for the fiscal years 2023 and 2022, the following reclassifications have been made to prior year figures. The capitalisation agreement has been reported as a part of non-current investments in 2023 instead of non-current other receivables as earlier. As a result, the prior year figures have been reclassified in the amount of EUR 235 thousand. Lease deposits have been transferred to non-current receivables instead of current receivables. As a result, the prior year figures have been reclassified in the amount of EUR 50 thousand. On the income statement, certain service purchases have been reclassified from other operating expenses to external services under the materials and services category. As a result, the prior year figures have been reclassified in the amount of EUR 372 thousand.

Foreign currency translations

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

Group financing

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

Parent company income statement notes, FAS

1 Total revenues

EUR thousands	2023	2022
Total revenues	**899,373**	**839,167**
Domestic	873,211	814,774
Foreign	26,162	24,393
Total	**899,373**	**839,167**
During the financial period, parent company employed personnel on average	**1,430**	**1,389**

2 Depreciation and amortisation

EUR thousands	2023	2022
Amortisation of intangible assets	52,450	50,808
Depreciation of tangible assets	66,938	85,282
Total	**119,387**	**136,090**
Total depreciation and amortisation	**119,387**	**136,090**

3 Other operating expenses

EUR thousands	2023	2022
Operating and maintenance costs	71,769	70,688
Rental costs	91,379	78,511
External services	11,039	9,539
Other cost items	27,996	24,995
Total	**202,182**	**183,733**

Auditor's fees

	2023	2022
Ernst & Young Oy		
Audit fees	291	151
Tax consulting	-	25
Other fees	237	142
Total	**528**	**318**

4 Finance income and expense

EUR thousands	2023	2022
Income from other non-current investments		
Dividends from associated companies	4	4
Dividends from others	16	32
Total	**20**	**36**
Other interest and finance income		
Interest income from group companies	915	315
Interest income from others	386	283
Finance income from others	1,089	217
Total	**2,390**	**815**
Other interest and finance expense		
Interest expense to group companies	21	2,264
Interest expense to others	12,302	3,455
Other finance expense	1,251	1,759
Total	**13,573**	**7,478**
Total finance income and expense	**–11,163**	**–6,627**

5 Appropriations

EUR thousands	2023	2022
Change in depreciation difference	–24,222	–20,126
Group contribution received	81,865	49,579
Group contribution given	–90,696	–39,511
Total	**–33,053**	**–10,058**

6 Income tax

EUR thousands	2023	2022
Direct taxes	11,777	11,007
Income tax from previous periods	0	–15
Change in deferred tax asset	–20	35
Change in deferred tax liability	–181	–181
Total	**11,576**	**10,845**

Parent company balance sheet notes, FAS

7 Non-current assets

EUR thousands	2023	2022
Intangible rights		
Acquisition cost 1 January	311,616	308,338
Transfers	1,750	3,278
Acquisition cost 31 December	**313,366**	**311,616**
Accumulated amortisation 1 January	252,373	242,679
Amortisation for the financial period	8,915	9,693
Accumulated amortisation 31 December	261,287	252,373
Net book value 31 December	**52,079**	**59,244**
Goodwill		
Acquisition cost 1 January	153,795	153,795
Acquisition cost 31 December	**153,795**	**153,795**
Accumulated amortisation 1 January	74,419	67,860
Amortisation for the financial period	6,559	6,559
Accumulated amortisation 31 December	80,978	74,419
Net book value 31 December	**72,817**	**79,376**

EUR thousands	2023	2022
Other non-current intangible assets		
Acquisition cost 1 January	333,876	327,052
Transfers	34,356	35,225
Disposals	-	–28,400
Acquisition cost 31 December	**368,232**	**333,876**
Accumulated amortisation 1 January	282,898	276,743
Amortisation for the financial period	35,102	34,556
Accumulated amortisation relating to disposals	-	–28,400
Accumulated amortisation 31 December	318,000	282,898
Net book value 31 December	**50,232**	**50,978**
Prepayments and non-current assets under construction		
Acquisition cost 1 January	5,722	6,644
Additions	37,417	37,581
Transfers	–36,106	–38,503
Acquisition cost 31 December	**7,033**	**5,722**
Total intangible assets	182,162	195,320

EUR thousands	2023	2022
Land and water		
Acquisition cost 1 January	439	439
Net book value 31 December	**439**	**439**
Buildings and constructions		
Acquisition cost 1 January	27,510	26,654
Additions	-	33
Transfers	1,598	2,804
Disposals	-	–1,981
Acquisition cost 31 December	**29,108**	**27,510**
Accumulated depreciation 1 January	15,272	13,416
Depreciation for the financial period	1,874	1,856
Accumulated depreciation 31 December	17,146	15,272
Net book value 31 December	**11,961**	**12,238**

EUR thousands	2023	2022
Machinery and equipment		
Acquisition cost 1 January	1,551,298	1,490,293
Additions	0	505
Transfers	61,252	68,598
Disposals	-	–8,098
Acquisition cost 31 December	**1,612,551**	**1,551,298**
Accumulated depreciation 1 January	1,279,434	1,202,902
Depreciation for the financial period	66,938	83,426
Accumulated depreciations on disposals	-	–6,894
Accumulated depreciation 31 December	1,346,372	1,279,434
Net book value 31 December	**266,179**	**271,864**
Prepayments and non-current assets under construction		
Acquisition cost 1 January	22,006	29,743
Additions	67,123	63,666
Disposals	–62,850	–71,402
Acquisition cost 31 December	**26,279**	**22,006**
Total property, plant and equipment	**304,858**	**306,547**

8 Investments

EUR thousands	2023	2022
Holdings in Group companies		
Net book value 1 January	101,512	101,512
Net book value 31 December	**101,512**	**101,512**
Shares in associated companies		
Net book value 1 January	3,982	3,982
Net book value 31 December	**3,982**	**3,982**
Other shares and holdings		
Net book value 1 January	1,330	1,330
Additions	61	-
Net book value 31 December	**1,391**	**1,330**
Parent company ownerships:		
Holdings in Group companies		
DNA Kauppa Oy	100%	100%
DNA Welho Oy	100%	100%
European Mobile Operator Oy	100%	100%
DNA Tower Oy	100%	100%

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

EUR thousands	2023	2022
Interests in joint arrangements		
Suomen Yhteisverkko Oy	49%	49%
Shares in associated companies		
Suomen Numerot Numpac Oy	33.33%	33.33%
Kiinteistö Oy Otavankatu 3	36%	36%
Kiinteistö Oy Siilinjärven Toritie	38%	38%

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

9 Receivables from group companies

EUR thousands	2023	2022
Long-term loan receivables	6,000	6,000
Trade receivables	14,113	14,517
Prepaid expenses	4,325	4,333
Group account receivables	14,208	-
Group contribution receivables	81,865	49,579
Total	**120,511**	**74,429**

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

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

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

10 Deferred tax asset and liability

EUR thousands	2023	2022
Deferred tax asset		
Deferred tax asset from provisions	500	484
Deferred tax asset from deferred depreciation	11	28
Deferred tax asset from temporary differences	726	705
Total	**1,237**	**1,217**
Deferred tax liability		
Deferred tax liability from loss on sale of bond	223	404
Total	**223**	**404**

11 Prepaid expenses

EUR thousands	2023	2022
Trade payables	20,994	17,888
Other receivables	2,736	2,627
Tax receivables	-	6,582
Total	**23,730**	**27,098**
Unrecognised costs		
Of the bond issue costs:		
remainder of the capitalised non-current deferred receivables	100	364
remainder of the capitalised current deferred receivables	264	264

12 Equity

EUR thousands	2023	2022
Share capital 1 January	72,702	72,702
Share capital 31 December	**72,702**	**72,702**
Treasury shares 1 January	–1,728	–1,728
Treasury shares 31 December	**–1,728**	**–1,728**
Retained earnings 1 January	133,476	297,697
Dividend distribution	–100,458	–200,917
Retained earnings 31 December	**33,017**	**96,780**
Net result for the period	**39,940**	**36,696**
Total equity	**143,932**	**204,450**
Distributable funds		
Retained earnings	33,017	96,780
Net result for the period	39,940	36,696
Treasury shares	–1,728	–1,728
Total distributable funds	**71,230**	**131,748**

13 Provisions

EUR thousands	2023	2022
Estimated decommissioning costs of data centres and masts	2,535	2,543
Onerous contracts[1)]	1,647	815
Pension provision	134	166
Restructuring provision	243	196
Other provisions	132	243
Total provisions	**4,691**	**3,962**

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

14 Non-current liabilities

EUR thousands	2023	2022
Bonds	250,000	250,000
Loans from other group companies	236,833	208,249
Other long-term liabilities	11,503	13,137
Deferred tax liability	223	404
Total non-current liabilities	**498,560**	**471,789**

15 Liabilities to group companies

EUR thousands	2023	2022
Trade payables	4,145	5,262
Accrued expenses	6,856	8,711
Group account payables	87	9,480
Group contribution payables	90,696	39,511
Total liabilities to Group companies	**101,784**	**62,965**

16 Accrued expenses

EUR thousands	2023	2022
Holiday pay and bonuses	22,954	20,951
Interest expenses	2,637	2,637
Sales accruals	9,853	10,326
Tax accrual	767	-
Other accruals	27,588	34,975
Total accrued expenses	**63,798**	**68,889**

17 Pledged assets and contingent liabilities

EUR thousands	2023	2022
Pledged assets		
Other obligations on behalf of Group companies		
Bank guarantees	1,543	1,580
Contingent liabilities and other liabilities		
Finance lease payments		
Payments due during the next financial period	963	471
Payments due at a later date	2,060	419
Total finance lease payments	**3,022**	**890**

Leasing contracts are made for three-year periods.

Other contractual obligations		
Leasehold commitments [1)]	78 351	73 619

1) Includes EUR 1,647,069 (814,919) for the non-voidable lease agreement reported under the provision for onerous contracts 2022.

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

18 Related party transactions

Related party trade

DNA's related parties include the main shareholders which have significant influence over the group, subsidiaries, associated companies, joint arrangements and members of the Board of Directors and the management team, including the CEO and the deputy CEO as well as their close family members. In addition, related parties include all entities controlled or jointly controlled by a person identified as related party. The company acquires products sold to external parties from its related parties. Related party transactions are with same terms than transactions carried out with independent parties.

Key management compensation

EUR thousands	2023	2022
Remuneration of CEO Jussi Tolvanen		
Wages and salaries	396	364
Share-based incentive scheme (gross)	56	108
Total	**452**	**472**

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

No loans have been granted to the Members of the Board of Directors or the CEO.

The CEO, his deputy and members of the Group management are entitled to defined benefit pension at the age of 62.

They have supplementary defined contribution plans.

Signatures of the board of directors' report and financial statements

Helsinki 16 February 2024

Jørgen C. Arentz Rostrup
Chairman of the Board of Directors

Mette Eistrøm Krüger
Member of the Board of Directors

Thomas Thyholdt
Member of the Board of Directors

Jussi Tolvanen
CEO

Auditors' note

An auditors' report has been issued today on the performed audit.

Helsinki 16 February 2024

Ernst & Young Oy
Authorized Public Accountants

Mikko Järventausta
Authorized Public Accountant

Auditors' Report

(Translation of the Finnish original)

To the Annual General Meeting of DNA Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DNA Plc (business identity code 0592509-6) for the year ended 31 December, 2023. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and ,cash flows in accordance with IFRS Accounting Standards as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Board of Directors.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 7 to the consolidated financial statements and note 3 to the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue Recognition *We refer to the Group's accounting policies and the note 5* DNA Group delivers goods and services which can be sold separately or bundled. There is an inherent risk around the accuracy of revenue recognized given the complexity of IT systems, high volume of customer contracts and transactions, and changing business and pricing models (tariff structures, incentive arrangements, discounts etc.). The application of revenue recognition accounting standards is complex and revenue recognition involves a number of key judgements and estimates. Revenue recognition was determined to be a key audit matter and a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2) due to the identified risk of material misstatement in revenue recognition.	Our audit procedures, addressing the significant risk of material misstatement related to revenue recognition, included amongst other: • assessing the application of group's accounting policies over revenue recognition and comparing the group's accounting policies over revenue recognition with applicable accounting standards; • testing the IT general controls and application controls over the main IT systems and applications that bill material revenue streams; • testing the revenue recognized including testing of group's controls on revenue recognition, when applicable. Our testing included among other tracing the information to agreements and testing cash receipts for a sample of customers back to the customer invoice on a sample basis; • testing the end-to-end reconciliation from billing system to accounting system; • testing the accruals for deferred and unbilled revenue; • assessing the revenue recognized with substantive analytical procedures and • assessing the group's disclosures on revenue recognition.
Valuation of Goodwill *We refer to the Group's accounting policies and the note 15* At the balance sheet date 31 December 2023, the value of goodwill amounted to EUR 339 million representing 19% of total assets and 53% of total equity (2022: EUR 339 million, 20% of total assets and 51% of total equity). The valuation of goodwill was a key audit matter as: • the management's annual impairment test is complex and involves judgments • the annual impairment test is based on market and economical assumptions • the goodwill balance is significant. The cash flows of the cash generating unit are based on the value in use. Changes in the assumptions used can significantly impact the value in use. The value in use is dependent on several assumptions such as the growth in net sales, development in EBITDA, discount rate and the long term growth rate used. Changes in these assumptions can lead to an impairment.	Our audit procedures included, among others, involving valuation internal specialists to assist us in evaluating the assumptions and methodologies used by the group including those related to forecasted net sales, EBITDA, the weighted average cost of capital and long term growth rate used in discounting the cash flows. We reviewed the sensitivity in the available headroom by cash generating unit and focused on whether any reasonably possible change in assumptions could cause the carrying amount to exceed its recoverable amount. We compared the historical forecasting of the group with actual outcome and we compared projections to the latest budgets approved by the board. We checked the mathematical accuracy of the underlying calculations. We compared the groups' disclosures related to impairment tests in note 15 in the financial statements with presentation requirements in applicable accounting standards and we reviewed the information provided on sensitivity analysis.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on 28 March 2019, and our appointment represents a total period of uninterrupted engagement of 5 years.

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 16.2.2024

Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Järventausta
Authorized Public Accountant

Independent Auditor's Report on DNA Oyj's ESEF-Consolidated Financial Statements

(Translation of the Finnish original)

To the Board of Directors of DNA Oyj

We have performed a reasonable assurance engagement on the iXBRL tagging of the consolidated financial statements included in the digital files DNAOYJ-2023-12-31-fi.zip of DNA Oyj (business identity code: 0592509-6) for the financial year 1.1.–31.12.2023 to ensure that the financial statements are marked/tagged with iXBRL in accordance with the requirements of Article 4 of EU Commission Delegated Regulation (EU) 2018/815 (ESEF RTS).

Responsibilities of the Board of Directors and Managing Director

The Board of Directors and Managing Director are responsible for the preparation of the Report of Board of Directors and financial statements (ESEF financial statements) that comply with the ESESF RTS. This responsibility includes:

- Preparation of ESEF-financial statements in accordance with Article 3 of ESEF RTS
- Tagging the primary financial statements, notes to the financial statements and the entity identifier information in the consolidated financial statements included within the ESEF- financial statements by using the iXBRL mark ups in accordance with Article 4 of ESEF RTS
- Ensuring consistency between ESEF financial statements and audited financial statements.

The Board of Directors and Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance the requirements of ESEF RTS.

Auditor's Independence and Quality Management

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibilities

In accordance with the Engagement Letter we will express an opinion on whether the electronic tagging of the consolidated financial statements complies in all material respects with the Article 4 of ESEF RTS. We have conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000.

The engagement includes procedures to obtain evidence on:

- whether the tagging of the primary financial statements in the consolidated financial statements complies in all material respects with Article 4 of the ESEF RTS
- whether the tagging of the notes to the financial statements and the entity identifier information in the consolidated financial statements complies in all material respects with Article 4 of the ESEF RTS
- whether the ESEF-financial statements are consistent with the audited financial statements.

The nature, timing and extent of the procedures selected depend on the auditor's judgement including the assessment of risk of material departures from requirements sets out in the ESEF RTS, whether due to fraud or error.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our statement.

Opinion

In our opinion the tagging of the primary financial statements, notes to the financial statements and the entity identifier information in the consolidated financial statements included in the ESEF financial statements DNAOYJ-2023-12-31-fi.zip of DNA Oyj for the year ended 1.1.–31.12.2023 complies in all material respects with the requirements of ESEF RTS.

Our audit opinion on the consolidated financial statements of DNA Oyj for the year ended 1.1.–31.12.2023 is included in our Independent Auditor's Report dated 16.2.2024. In this report, we do not express an audit opinion any other assurance on the consolidated financial statements.

Helsinki 1.3.2024

Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Järventausta
Authorized Public Accountant

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