



# FINANCIAL STATEMENTS BULLETIN

2020



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## DNA Plc's Financial Statements Bulletin 2020

# DNA's EBITDA, operating result and mobile total revenues improved – significant capital expenditures in 5G network construction

### Summary

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

#### July–December 2020

- Mobile revenue increased 1% and amounted to EUR 276 million (272).
- Total revenues decreased 2% and amounted to EUR 476 million (483).
- EBITDA increased 13% and was EUR 171 million (152).
- Comparable EBITDA<sup>1)</sup> increased 10% and came to EUR 171 million (156).
- Operating result increased 20% and was EUR 76 million (63).
- Comparable operating result<sup>2)</sup> increased 7% and was EUR 76 million (71).
- Revenue per user (ARPU) for mobile communications increased 2% and was EUR 16.7 (16.5).

#### January–December 2020

- Mobile revenue increased 3% and amounted to EUR 552 million (536).
- Total revenues decreased 1% and amounted to EUR 934 million (946).
- EBITDA increased 9% and was EUR 333 million (306).
- Comparable EBITDA<sup>1)</sup> increased 7% and amounted to EUR 333 million (310).
- Operating result increased 13% and was EUR 151 million (134).
- Comparable operating result<sup>2)</sup> increased 7% and was EUR 151 million (141).
- Revenue per user (ARPU) for mobile communications increased 3% and was EUR 16.8 (16.3).
- The number of mobile subscriptions<sup>3)</sup> decreased and was 2,694,000 (2,696,000). The number of postpaid subscriptions grew by 9,000 and the number of prepaid subscriptions decreased by 16,000.
- The number of fixed subscriptions<sup>4)</sup> decreased to 900,000 (909,000). Broadband subscription base increased by 41 000.

## Key figures

The calculation method of the key figures presented in this table differs from that of DNA's previous key figures. The figures in this table are presented the same way as the key figures published by DNA's parent company Telenor ASA except for the figures for total revenues and EBITDA. The difference in total revenues and EBITDA is due to differences in the classification of certain items. The comparability of figures and terminology are explained in a press release published on 28 April 2020. The release is available on the DNA website<sup>5</sup>.

EUR million	7-12/2020	7-12/2019	Change, %	1-12/2020	1-12/2019	Change, %
Total revenues <sup>6)</sup>	476	483	-2	934	946	-1
EBITDA <sup>6) 7)</sup>	171	152	13	333	306	9
% of total revenues	36	31		36	32	
Comparable EBITDA <sup>1)</sup>	171	156	10	333	310	7
% of total revenues	36	32		36	33	
Depreciation and amortisation	96	88		181	172	
Operating result	76	63	20	151	134	13
% of total revenues	16	13		16	14	
Comparable operating result <sup>2)</sup>	76	71	7	151	141	7
% of total revenues	16	15		16	15	
Net result before tax	59	59	-1	130	125	5
Net result for the period	48	47	2	104	99	6
Return on investment (ROI), %	12	12		12	12	
Return on equity (ROE), %	17	17		17	17	
Capex <sup>8)</sup>	257	101	154	324	159	104
Cashflow after investing activities	80	52	54	99	61	64
Net debt	597	559	7	597	559	7
Net debt/EBITDA	1.8	1.8		1.8	1.8	
Net gearing, %	91	101		91	101	
Equity ratio, %	41	39		41	39	
Basic and diluted earnings per share, EUR	0.37	0.36		0.79	0.75	
Personnel at the end of period	1,609	1,624	-1	1,609	1,624	-1

- 1) In 2019, the comparability of EBITDA was affected by a non-recurring expense item of EUR 4 million in relation to the use of expert services in connection to business restructuring, as well as the termination of share-based reward systems. There were no items affecting comparability in 2020.
- 2) The comparability of the operating result for 2019 was affected by non-recurring items of EUR 7 million, of which EUR 4 million were in relation to the use of expert services in connection to business restructuring, as well as the termination of share-based reward systems and EUR 3 million in relation to the sale of DNA's VHF frequency-based terrestrial network business. There were no items affecting comparability in 2020.
- 3) Mobile subscriptions include postpaid, prepaid, mobile home phone ("Luuri") and mobile broadband subscriptions.
- 4) The figure for the number of fixed subscriptions includes voice, broadband and cable pay-TV subscriptions.
- 5) DNA press release on 28 April 2020: <https://corporate.dna.fi/press-releases?type=stt1&id=69879917&scrollTo=UJpEOgFgPw1f>
- 6) DNA's figures are reported as part of the Telenor Group. The difference in total revenues and EBITDA published by DNA and Telenor is due to some differences in the classification.
- 7) DNA reassessed the duration of short-term leases based on the new owner and new long-term forecast. The effect of the reassessment on EBITDA was EUR 2 million.
- 8) DNA reassessed the duration of short-term leases based on the new owner and new long-term forecast. The effect of the reassessment on the balance sheet was EUR 121 million.

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## CEO's review

DNA's business operations developed steadily throughout 2020. Although total revenues decreased by 1% year-on-year to EUR 934 million (946), our mobile revenue increased by 3% to EUR 552 million (536). The decrease in total revenue was mainly due to the sale of the terrestrial network pay-TV at the turn of the year and a decrease in sales of devices throughout the year due to government measures against the COVID-19 pandemic. DNA's comparable EBITDA developed strongly in 2020, reflecting growth from both business segments. Comparable EBITDA grew by 7% year-on-year to EUR 333 million (310) and amounted to 36% of total revenues.

The total number of mobile subscriptions fell by 2,000 year-on-year due exclusively to a decrease in the number of prepaid subscriptions. Our postpaid subscription base increased by 9,000. At the same time, revenue per user (ARPU) increased by 3% year-on-year to EUR 16.8 (16.3).

During the pandemic year, DNA's role in enabling fast and secure connections has been more essential than ever. Due to the need for social distancing, the use of video-based services increased significantly. This was reflected in the enormous increase in data volumes and a greater need for high-speed connections. A report<sup>1)</sup> released last September by international research company Tefficient shows that, once again, DNA's customers use the most mobile data per subscription in the entire world. In addition, in a recent report<sup>2)</sup> by Omnitel Oy, a DNA subscription achieved the highest average data transfer speed in the direction of incoming traffic. The measurements were carried out in November and December in the ten largest cities in Finland.

The increased need for high-quality digital communications was also reflected in DNA's sales of devices this year. Sales of 5G phones grew significantly and already accounted for nearly 50% of all sold phones in December. Sales of smartwatches doubled, and sales of both laptops and desktop computers increased from 2019. Installations of DNA's 5G Fixed Wireless Access service have also continued, and feedback from customers has been positive.

DNA's operative capital expenditure increased by 22% in January–December and amounted to EUR 171 million (140). The most significant individual capital expenditures consisted of radio network capacity expansion and development, the development of 5G readiness and fibre optic networks and transmission systems. Construction of the 5G network has progressed on schedule and by the end of the year, the network covered 1.8 million people, nearly one in every three people in Finland. Construction of the



network is ongoing with dozens of base stations opened every week across Finland. As of early 2021, construction is proceeding by expanding coverage in large cities and by bringing 5G services to a large number of new cities and towns. Construction will also be focused on different parts of Finland based on current mobile data traffic capacity needs.

In October, it was also announced that Finnish Shared Network Ltd, a company jointly owned by DNA Plc and Telia Finland Oyj, will begin building a new 5G network in northern and eastern Finland in cooperation with Nokia. The three-year construction project will be launched in early 2021.

At the end 2020, more than 95% of DNA's personnel continued to work from home. Our regular personnel surveys found that employees were able to work effectively from home throughout the year.

Jukka Leinonen  
CEO

- 1) Tefficient report H1/2020. Tefficient is an international analysis, benchmarking and consultancy company in the telecommunications sector, with reports available for download at <https://tefficient.com/mobile-data-operators-1h-2020/>
- 2) Omnitel's study on data transfer speeds in mobile networks, 11/2020. The study was carried out in the ten largest cities in Finland. The results are based on the average data transfer speeds of incoming traffic (from the base station to the terminal device) in the measurements. The study results and ranking of the operators varied between the cities and locations. The different cities had rather significant variations in the average download speeds, and the extent of the 5G coverage varied relatively much from city to city. The study was carried out with the operators' fastest 5G consumer subscriptions and smartphones with 5G. Available in Finnish at [https://www.dna.fi/documents/753910/1424803/Omnitele\\_5G\\_Benchmark\\_2020\\_Loppuraportti.pdf](https://www.dna.fi/documents/753910/1424803/Omnitele_5G_Benchmark_2020_Loppuraportti.pdf)



# DNA Plc's Financial Statements Bulletin 2020

## Operating environment in 2020

The COVID-19 pandemic dealt a blow to both the global and Finnish economies. The slowdown in economic growth and effects on consumer spending and employment have had an impact on the demand for DNA's services.

Data usage grew significantly in 2020 in both fixed and mobile networks as a result of the increase in working from home and reduced travel due to COVID-19 restrictions. The popularity of 4G subscriptions continued to increase and sales of 5G subscriptions begun during 2020 got off to a good start, further increasing the speeds and volumes of mobile data usage.

At the end of 2020, DNA's 5G services were available in nearly 80 cities and towns, with nearly 1.8 million people covered by the network. Rapid construction of the network continues, and we will continue to improve the capacity of our 4G network parallel to the upgrade to 5G. This is important because a continuing trend in Finland is the migration of xDSL subscribers to considerably faster fixed cable or fibre optic broadband subscriptions or replacement of xDSL connections with 4G or 5G mobile data connections. In addition, despite the rapidly growing number of 5G service users, 4G customers will remain the network's largest user group for years to come.

The popularity of streaming and video-on-demand services continued to grow. More customers are watching HDTV broadcasts, and they also increasingly want to watch content conveniently at a time that works best for them. In November, DNA became the first operator in the world to offer a home broadband subscription and the Netflix Family product on a single subscription and invoice.

## Regulation

The revised Finnish Act on Electronic Communications Services entered into force on 1 January 2021. The amended Act implements new EU requirements on electronic communications and audiovisual media services and measures included in the common toolbox to protect critical parts of the communications network related to the security of the EU's 5G networks as part of national legislation. The main changes affecting DNA's operations are:

- The maximum term of fixed-period mobile network subscriptions is shortened from 24 months to 12 months.
- The minimum speed of universal service broadband is raised to five megabits per second.
- In the future, telecom operators must notify the Finnish Transport and Communications Agency when their old networks, such as copper connections, are removed or replaced. The notice must be given 6 months before the planned action.
- The Act also brings changes to the procedures for granting network licences.
- Telecom companies that transmit data may be obligated to remove illegal content in cases where the information society service provider, such as the content download service, cannot be reached.
- The Act implements the measures of the common toolbox to secure the EU's 5G networks that concern the protection of the critical parts of the communications network.
- A new advisory board for network security is set up to monitor the security of communications networks. The advisory board consists of representatives of key authorities from different administrative branches and the telecom industry.

During 2021, Finland is expected to review national must-carry obligations, while the EU is planning several projects to revise directives related to DNA's industry in areas such as the joint construction of broadband networks, data protection of electronic services, network security and the provision and markets of digital services.

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

# Total revenues and result

## Consolidated key figures

EUR million	7-12/2020	7-12/2019	Change, %	1-12/2020	1-12/2019	Change, %
Total revenues <sup>1)</sup>	476	483	-2	934	946	-1
EBITDA	171	152	13	333	306	9
% of total revenues	36	31		36	32	
Comparable EBITDA <sup>2)</sup>	171	156	10	333	310	7
% of total revenues	36	32		36	33	
Operating result	76	63	20	151	134	13
% of total revenues	16	13		16	14	
Comparable operating result <sup>3)</sup>	76	71	7	151	141	7
% of total revenues	16	15		16	15	
Net result for the period	48	47	2	104	99	6

1) DNA's figures are reported as part of the Telenor Group. The difference in total revenues and EBITDA published by DNA and Telenor is due to some differences in the classification.

2) In 2019, the comparability of EBITDA was affected by a non-recurring expense item of EUR 4 million in relation to the use of expert services in connection to business restructuring, as well as the termination of share-based reward systems. There were no items affecting comparability in 2020.

3) The comparability of the 2019 operating result was affected by non-recurring items of EUR 7 million, of which EUR 4 million were in relation to the use of expert services in connection to business restructuring, as well as the termination of share-based reward systems and EUR 3 million in relation to the sale of DNA's VHF frequency-based terrestrial network business. There were no items affecting comparability in 2020.

### July–December 2020

DNA's total revenues for July–December decreased by 2% to EUR 476 million (483). The decrease was mainly due to the sale of the terrestrial pay-TV business and a drop in device sales, which fell 3% year-on-year. Mobile revenue increased 1% and amounted to EUR 276 million (272). 76% (76) of total revenues was generated by consumer business and 24% (24) by corporate business.

Comparable EBITDA increased by 10% year-on-year and amounted to EUR 171 million (156), accounting for 36% of total revenues (32). Comparable operating result increased by 7% to EUR 76 million (71). Comparable operating result as a percentage of total revenues increased to 16% (15). Result for the financial period improved by 2% and was EUR 48 million (47).

### January–December 2020

DNA's total revenues for January–December decreased by 1% to EUR 934 million (946). The decrease was mainly due to the sale of the terrestrial pay-TV business and a drop in device sales, which fell 7% year-on-year. Mobile revenue increased 3% and amounted to EUR 552 million (536). 76% (76) of total revenues was generated by consumer business and 24% (24) by corporate business.

Comparable EBITDA increased by 7% year-on-year and amounted to EUR 333 million (310), accounting for 36% of total revenues (33). Comparable operating result increased by 7% to EUR 151 million (141). Comparable operating result as a percentage of total revenues increased to 16% (15). Result for the financial period improved by 6% and was EUR 104 million (99).

## Key operative indicators

	7-12/2020	7-12/2019	Change, %	1-12/2020	1-12/2019	Change, %
<b>Number of mobile subscriptions at end of period</b>	<b>2,694,000</b>	2,696,000	0	<b>2,694,000</b>	<b>2,696,000</b>	0
average revenue per user (ARPU) <sup>1)</sup> , EUR	16.7	16.5	2	16.8	16.3	3
<b>Number of fixed subscriptions at end of period</b>	<b>900,000</b>	909,000	-1	<b>900,000</b>	<b>909,000</b>	-1

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

Mobile subscription base decreased by 2,000 subscriptions from 2019, but the number of postpaid subscriptions increased by 9,000. Revenue per user (ARPU) was EUR 16.8 (16.3). Fixed subscription base decreased by 9,000, but the number of broadband subscriptions grew by 41,000.



# Cash flow and financial position

## Cash flow and financial key figures

EUR million	7-12/2020	7-12/2019	Change, %	1-12/2020	1-12/2019	Change, %
Cashflows after investing activities	80	52	54	99	61	64

EUR million	1-12/2020	1-12/2019	Change, %
Net debt	597	559	7
Net debt/EBITDA	1.8	1.8	
Net gearing, %	91	101	
Equity ratio, %	41	39	

Cash flow after investments was EUR 99 million in 2020 (61). Cash flow was affected by change in working capital, among other factors. Sales liabilities increased towards the end of the year, while growth in sales receivables was smaller compared to the reference period. Cash flow after investments was EUR 80 million in July–December (52).

At the end of 2020, DNA had a EUR 200 million internal revolving credit facility, of which EUR 90 million remained undrawn, as well as a 51 million (-) Group overdraft.

Net gearing decreased and was 91% (101) at the end of the year. Net gearing was mainly impacted by the dividend payment in the reference period.

DNA's liquidity is at a healthy level. The Group's liquid assets amounted to EUR 8 million (17). Net debt was EUR 597 million (559). The Group's liquid assets and undrawn committed credit facilities amounted in total to EUR 149 million (282). In addition to liquid assets, DNA has cash pool receivables of EUR 29 million (-). DNA joined Telenor's consolidated account in January and closed the EUR 150 million standby credit facility provided by the bank in March. During the year, DNA closed down its EUR 200 million commercial paper programme.

Changes in working capital had an EUR 9 million (-35) positive impact on cash flow. The decrease in working capital was mainly due to increased sales liabilities and a slower growth of sales receivables compared to last year. The change in working capital in July–December was EUR 18 million positive (-11).

DNA has a strong balance sheet. The net debt/EBITDA ratio was 1.8 (1.8) at the end of June. DNA's equity ratio at the end of the first half of the year was 41% (39).

# Development per business segment

## Consumer business

EUR million	7-12/2020	7-12/2019	Change, %	1-12/2020	1-12/2019	Change, %
Total revenues	363	370	-2	710	720	-1
EBITDA	132	116	14	258	234	11
% of total revenues	36	32		36	32	
Comparable EBITDA <sup>1)</sup>	132	119	11	258	236	9
% of total revenues	36	32		36	33	
Operating result	66	59	12	137	122	12
% of total revenues	18	16		19	17	
Comparable operating result <sup>2)</sup>	66	65	2	137	128	7
% of total revenues	18	18		19	18	

1) The comparability of the 2019 EBITDA was affected by non-recurring expense items of EUR 3 million in relation to business restructuring. There were no items affecting comparability in 2020.

2) The comparability of the 2019 operating result was affected by non-recurring items of EUR 6 million, of which EUR 3 million were in connection to business restructuring and EUR 3 million in relation to the sale of DNA's VHF frequency-based terrestrial network business. There were no items affecting comparability in 2020.

### July–December 2020

Consumer business total revenues decreased and came to EUR 363 million (370). The decrease was mainly due to the sale of the terrestrial pay-TV business and a slowdown in mobile device sales. EBITDA increased and was EUR 132 million (116). The EBITDA percentage of total revenues was 36% (32). Consumer business operating result increased and was EUR 66 million (59), accounting for 18% of consumer business total total revenues (16).

In November, DNA launched a globally unique cooperation project with the streaming service Netflix. DNA became the first operator in the world to offer a home broadband subscription and the Netflix Family product on a single subscription and invoice.

Sales of 5G phones grew significantly. In December, they accounted for nearly 50% of all phone sales. Sales of smartwatches doubled, and sales of both laptops and desktop computers increased from 2019. In addition to smartwatches and computers, the popularity of products such as robot vacuum cleaners and electric scooters increased significantly.

### January–December 2020

Consumer business total revenues decreased and came to EUR 710 million (720). The decrease was mainly due to the sale of the terrestrial pay-TV business and a slowdown in mobile device sales. EBITDA increased and was EUR 258 million (234). The EBITDA percentage of total revenues was 36% (32). Consumer business operating result increased and was EUR 137 million (122), accounting for 19% of consumer business total total revenues (17).

DNA improved the roaming pricing of its consumer subscriptions in Sweden, Denmark, Norway, Estonia, Latvia and Lithuania by offering unlimited data transfer in these countries as of 24 June and including data transfer in the monthly DNA subscription fee. The improvement automatically applies to all types of subscriptions available at DNA that include a roaming feature.

## Corporate business

EUR million	7-12/2020	7-12/2019	Change, %	1-12/2020	1-12/2019	Change, %
Total revenues	112	114	-1	225	226	0
EBITDA	39	35	10	74	72	3
% of total revenues	35	31		33	32	
Comparable EBITDA <sup>1)</sup>	39	37	5	74	74	1
% of total revenues	35	33		33	33	
Operating result	9	4	130	14	11	27
% of total revenues	8	4		6	5	
Comparable operating result <sup>1)</sup>	9	6	61	14	13	10
% of total revenues	8	5		6	6	

<sup>1)</sup> The comparability of 2019 EBITDA and operating result was affected by non-recurring expense items of EUR 1.8 million in relation to business restructuring. There were no items affecting comparability in 2020.

### July–December 2020

Corporate business total revenues remained stable and were EUR 112 million (114). EBITDA increased and was EUR 39 million (35). EBITDA percentage of total revenues was 35% (31). Corporate business operating result increased and was EUR 9 million (4), or 8% of corporate business total revenues (4).

In November, DNA signed a contract with the City of Turku on the provision of voice services, switchboard and information systems, approximately 10,000 mobile communication subscriptions with mobile data connections, availability services and a contact centre customer service solution.

### January–December 2020

Corporate business total revenues remained stable despite a decline in roaming revenues due to international movement restrictions. Revenues were EUR 225 million (226). EBITDA increased and was EUR 74 million (72). EBITDA percentage of total revenues was 33% (32). Corporate business operating result increased and was EUR 14 million (11), or 6% of corporate business total revenues (5).

Corporate business updated its strategy for 2020 with the aim of enhancing DNA's ability to provide better services for businesses of all sizes. Service abilities in particular were improved to meet the needs of globally operating businesses.

In early 2020, DNA also launched sales of Telenor network services covering Sweden, Norway and Denmark for international corporate customers. In addition, thanks to Telenor's excellent roaming contracts, DNA is now able to offer its customers more extensive roaming networks and contracts worldwide.

# Capital expenditure

## Capital expenditure

EUR million	7-12/2020	7-12/2019	Change, %	1-12/2020	1-12/2019	Change, %
Consumer business	154	67	132	198	98	102
Corporate business	103	35	196	125	60	108
<b>Total capital expenditure</b>	<b>257</b>	<b>101</b>	<b>154</b>	<b>324</b>	<b>159</b>	<b>104</b>

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

EUR million	7-12/2020	7-12/2019	Change, %	1-12/2020	1-12/2019	Change, %
Operative capital expenditure	119	98	21	171	140	22
% of total revenues	25	20		18	15	
Lease investments (IFRS 16)	132	3	4,263	137	10	1,303
Spectrum licences	7	0		16	9	81
<b>Total capital expenditure</b>	<b>257</b>	<b>101</b>	<b>154</b>	<b>324</b>	<b>159</b>	<b>104</b>

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

2) DNA reassessed the duration of short-term leases based on the new owner and new long-term forecast. The effect of the reassessment on the balance sheet was EUR 121 million in July–December 2020.

### July–December 2020

In the July–December period, capital expenditure increased by 154% to EUR 257 million (101). Operative capital expenditure also increased year-on-year and amounted to EUR 119 million (98), or 25% of total revenues (20). In the second half of 2020, the spectrum licence fees for the 26 GHz bands contributed EUR 7 million (0) to capital expenditure.

### January–December 2020

In 2020, capital expenditure increased by 104% to EUR 324 million (159). Operative capital expenditure also increased year-on-year and amounted to EUR 171 million (140), or 18% of total revenues (15). In 2020, the spectrum licence fees for the 700 MHz, 3.5 GHz and 26 GHz bands contributed a total of EUR 16 million (9) to capital expenditure.

The most significant individual capital expenditures in 2020 consisted of radio network capacity expansion and development, the development of 5G readiness and fibre optic networks and transmission systems.

## Network infrastructure and new technologies

DNA continued its strong investment activities in network infrastructure, which will enable the provision of high-quality connections in the future as the use of devices and digital services continue to grow. DNA's 4G network reaches nearly 100% of the population in mainland Finland. At the end of 2020, 5G services were available in nearly 80 cities and towns, with nearly 1.8 million people covered by the network. Installations of DNA's 5G broadband service were also launched in 2020, and feedback from customers has been positive.

We will continue to improve the capacity of our 4G network parallel to the 5G investments. As a result, data speeds in the 4G network have improved despite the growth of traffic volumes. DNA's mobile network supports NB-IoT and LTE-M technologies, which makes it possible to provide advanced M2M services.

In June, DNA won 5G frequencies in the 26 GHz frequency range in the auction of the 800 MHz frequency band, which guarantees DNA the ability to provide evolving 5G services long into the future.

During the first half of 2020, DNA deployed its first gigabit-speed broadband connections with fibre-optic technology in the city of Tampere. The technology enables high speeds also in older buildings without the need to upgrade the internal network, providing broadband speeds of 1 Gbps extensively to customers in Tampere. In turn, the copper-based network was dismantled in the city centre of Heinola, and services to customers are now provided entirely via the mobile and fibre networks.

According to a report published by Tefficient in September<sup>1)</sup>, DNA's customers had the highest mobile data usage per subscription in the world in the first half of 2020, averaging at 33.1 gigabytes per month. In 2019, the average usage was 25.4 gigabytes. In October-December 2020, the average mobile data usage of DNA's customers per month reached as high as 38.8 gigabytes per subscription (28.8). The year-on-year increase was 35%

1) Tefficient report H1/2020. Tefficient is an international analysis, benchmarking and consultancy company in the telecommunications sector, with reports available for download at <https://tefficient.com/mobile-data-operators-1h-2020/>

## Personnel

### Personnel by business segment

	31 December 2020	31 December 2019	Change, %
Consumer business	899	933	-4
Corporate business	710	691	3
<b>Total personnel</b>	<b>1,609</b>	<b>1,624</b>	<b>-1</b>

At the end of 2020, DNA Group had 1,609 employees (1,624), of whom 616 were women (637) and 993 men (987). Salaries and employee benefit expenses paid during the year amounted to EUR 113 million (112).

One of DNA's strategic objectives is being a great place to work. Satisfied, motivated, and qualified employees are a crucial foundation for DNA's ability to provide the best customer experience on the market. In April 2020, the Family Federation of Finland renewed DNA's family-friendly workplace recognition, which shows that the employer is committed to implement family-friendly values and social responsibility. DNA is the only large enterprise in Finland to receive the recognition.

DNA's owner Telenor announced in early June that it will adopt the flexible method of working globally for all of its almost 19,000 employees. Leading the way, DNA has been operating flexibly since 2012. At DNA, flexible work means that if our work is not tied to a place or time, you can decide independently where and when you work, without discussing this with your supervisor. Other national companies of Telenor will adopt the model in the manner they consider best.

In November, DNA won trade union Pro's Equality Award 2020. The winner was selected by the union's Board based on a proposal from the union's supervision of interests team. The basis for granting the award was DNA's continuous development of family-friendly practices. Pro's Board paid special attention to how DNA acknowledges a wide variety of tasks and factors as well as DNA's own and temporary workers in matters related to family friendliness.

In the autumn as part of a broader campaign for IT and data professionals, DNA trialed recruiting without resumes and application letters. By foregoing the need for lengthy application letters and updated resumes, professionals who would not normally consider changing jobs could be attracted to apply. At the same time, the aim was to improve applicant experience and equality in recruiting. DNA received a great deal of positive feedback on the trial carried out with Duunitori, and experiments will be continued in 2021.

## Significant litigation matters

Telenor Finland Holding Oy, wholly-owned by the Norwegian telecommunications Group Telenor, became the sole owner of DNA. Nasdaq Helsinki delisted DNA's shares on 3 February 2020. The buyout procedure under chapter 18, section 4 of the Finnish Limited Liability Companies Act ended when the arbitration decision issued on 3 March 2020 and registered on 24 April 2020 became final.

The trademark disputes between Deutsche Telekom AG and DNA were settled on 9 April 2020 and the related claims were withdrawn.



## Decisions of the Annual General Meeting

DNA's Annual General Meeting was held in Helsinki on 26 March 2020. The AGM confirmed DNA's consolidated financial statements for 2019 and the financial statements of the parent company. The AGM discharged DNA's Board of Directors members and CEO for the financial period 2019 from liability.

As DNA now has only one shareholder, it was decided to dissolve the Shareholders' Nomination Committee established in 2015. The AGM also made minor changes to Articles regarding the composition of the Board of Directors and Notice of General Meeting.

The current composition of the Board of Directors was not changed. Jørgen C. Arentz Rostrup was elected Chairman and Fredric Scott Brown, Nils Katla, Tero Ojanperä, Anni Ronkainen, Kirsi Sormunen and Ulrika Steg were elected as members of the Board.

## Corporate responsibility

DNA continued the implementation of its corporate responsibility strategy and goals in the second half of 2020. In accordance with the updated strategy, DNA will place even more emphasis on diversity and equal opportunity at the workplace. By the end of the year, all senior managers of DNA had received training on diversity. DNA also updated its climate objective in 2020: the company aims to achieve carbon-neutral business operations by 2030, which is Telenor's group-wide objective for its Nordic operations.

Efforts to harmonise DNA's corporate responsibility with Telenor continued. As part of Telenor Group, DNA will continue to work on and develop areas such as responsibility in the supply chain, human rights and good governance. By the end of 2020, all DNA employees had received training on Telenor's Code of Conduct.

## 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.

The COVID-19 pandemic may have direct or indirect negative impacts on areas such as the health of DNA's employees or DNA's subcontractors' employees and DNA's service reliability. The negative effects of the pandemic on the Finnish economy may reduce demand for DNA's services.

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

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

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

Cyber security risks have increased significantly over the last few years with digitalisation and more widespread use of digital networks and services. The role of information security, data security, and high operational network reliability are expected to gain in importance in the future.

Uncertainty in global trade policies may have an impact on DNA's subcontractors and partners and their product availability, service quality, and reliability, as well as DNA's customers' behaviour.

### Regulatory risks

Both national and EU regulations have a significant impact on the operation of the telecommunications market in Finland. Regulatory influence on areas such as the price level of DNA's products and services, wholesale products that DNA procures from other operators, critical network components and the criteria used for distributing frequencies may have a significant impact on DNA's business.

### Financing risks

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

### Damage risk

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

## Events after the financial period

Maria Strömberg, M.Sc. (Econ.) (b. 1968) was appointed Chief Financial Officer (CFO) and member of the Executive Team of DNA Plc as of 1 February 2021. She moved to the position from within DNA from the position of Director of Accounting & Corporate Control. Strömberg has worked most of her career in the telecom industry and has been with DNA continuously since 2007. Strömberg succeeds Timo Karppinen, who served as CFO until the end of January 2021.

At the end of January 2021, it was reported, that DNA Plc and Telia Finland Oyj have agreed to expand their existing cooperation in the construction of a mobile network. Since 2015, Suomen Yhteisverkko Oy (Finnish Shared Network) has been building a mobile network on behalf of the two companies in Eastern and Northern Finland. Now, the area will be expanded further towards the inland of Finland in its entirety so that, for example, Oulu, Kuopio and Kotka will be in the area of the shared network in the future. Suomen Yhteisverkko Oy immediately began to integrate the new sphere of activity into the construction plan.

# Group key figures

## Group key figures

	1 Jul–31 Dec 2020	1 Jul–31 Dec 2019	1 Jan–31 Dec 2020	1 Jan–31 Dec 2019
Earnings per share, basic and diluted, EUR	0.37	0.36	0.79	0.75
Equity per share, EUR			4.97	4.17
Shares outstanding at the end of the period (thousands)			132,182	132,182
Weighted average adjusted number of shares during the financial period, basic and diluted (thousands)	132,182	132,135	132,182	132,087
Net debt, EUR in thousands	597,394	559,073	597,394	559,073
Net gearing, %	91	101	91	101
Equity ratio, %	41	39	41	39
Net debt/EBITDA	1.8	1.8	1.8	1.8
Return on investment (ROI), %	12	12	12	12
Return on equity (ROE), %	17	17	17	17
Capital expenditure, EUR in thousands	257,432	101,361	323,540	158,707
Capital expenditure, % of net sales	54	21	35	17
Personnel at end of period	1,609	1,624	1,609	1,624

## Reconciliation of comparable key figures

There were no items affecting comparability of EBITDA or operating result in the reporting period.

EUR in thousands	1 July–31 December 2019			1 Jan–31 December 2019		
	Consumer	Corporate	Total	Consumer	Corporate	Total
<b>EBITDA</b>	<b>116,370</b>	<b>35,297</b>	<b>151,667</b>	<b>233,532</b>	<b>72,043</b>	<b>305,575</b>
Fair value opinion	996	687	1,683	996	687	1,683
Share based programmes	930	642	1,572	930	642	1,572
Share based programme Bridge	519	358	878	519	358	878
Matching shares plan for personnel	93	64	157	93	64	157
<b>Comparable EBITDA</b>	<b>118,908</b>	<b>37,048</b>	<b>155,956</b>	<b>236,070</b>	<b>73,795</b>	<b>309,865</b>
<b>Operating result, EBIT</b>	<b>59,056</b>	<b>4,127</b>	<b>63,183</b>	<b>122,399</b>	<b>11,292</b>	<b>133,692</b>
Fair value opinion	996	687	1,683	996	687	1,683
Share based programmes	930	642	1,572	930	642	1,572
Share based programme Bridge	519	358	878	519	358	878
Matching shares plan for personnel	93	64	157	93	64	157
Write-off of terrestrial network	3,109	-	3,109	3,109	-	3,109
<b>Comparable EBIT</b>	<b>64,704</b>	<b>5,879</b>	<b>70,583</b>	<b>128,047</b>	<b>13,044</b>	<b>141,091</b>

## Key operative indicators

### Mobile communication network subscription volumes:

Number of:	31 Dec 2020	31 Dec 2019
Subscriptions*	2,694,000	2,696,000

\* Mobile communication network subscription include postpaid, prepaid, mobile home phone ("Luuri") and mobile broadband subscriptions.

	1 Jul–31 Dec 2020	1 Jul–31 Dec 2019	1 Jan–31 Dec 2020	1 Jan–31 Dec 2019
Revenue per subscription (ARPU), EUR**	16.7	16.5	16.8	16.3

\*\*Monthly mobile revenues (company's subscriptions) and traffic revenues + interconnection / average number of subscriptions.

### Fixed-network subscription volumes:

Number of:	31 Dec 2020	31 Dec 2019
Subscriptions***	900,000	909,000

\*\*\*The figure for the number of fixed-network subscriptions includes voice, broadband and cable pay-TV subscriptions.

## Calculation of key figures

Earnings per share (EUR)	=	$\frac{\text{Net result for the period}}{\text{Weighted number of shares during the financial period excl treasury shares}}$
Equity per share, EUR	=	$\frac{\text{Equity attributable to owners of the parent}}{\text{Number of outstanding shares at end of period}}$
Net debt, EUR	=	Non-current and current borrowings – cash and cash equivalents
Net gearing, %	=	$\frac{\text{Net debt}}{\text{Total equity}}$
Equity ratio, %	=	$\frac{\text{Total equity}}{\text{Total assets – advances received}}$
EBITDA, EUR	=	Operating result (EBIT) + depreciation, amortisation and impairments
Return on investment (ROI), %*	=	$\frac{\text{Net result before income taxes + finance expense}}{\text{Total equity + borrowings (average for the period)}}$
Return on equity (ROE), %*	=	$\frac{\text{Net result for the period}}{\text{Total equity (average for the period)}}$
Net debt/EBITDA*	=	$\frac{\text{Net debt}}{\text{Operating result + depreciation + amortisation + impairments}}$
Comparable EBITDA (EUR)	=	EBITDA excluding items affecting comparability
Comparable operating result, (EUR)	=	Operating result, excluding items affecting comparability
Items affecting comparability	=	Items affecting comparability being 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, fines, damages and other similar payments.
Cashflow after investing activities (EUR)	=	Net cash generated from operating activities + net cash used in investing activities

\* 12-month adjusted



## Calculation of key figures

- Capital expenditure (EUR) = Capital expenditure comprises additions to property, plant and equipment and intangible assets excluding business acquisitions, gross acquisition cost of spectrum license and additions through asset retirement obligations and including annual cash instalments for the spectrum license.
- Operative capital expenditure = Operative capital expenditure is reported capital expenditure without annual cash instalments for spectrum licenses and without lease investments (IFRS 16).

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.

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.

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. 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.

## Consolidated income statement

EUR in thousands	1 Jul–31 Dec 2020	1 Jul–31 Dec 2019	1 Jan–31 Dec 2020	1 Jan–31 Dec 2019
<b>Net sales</b>	<b>475,560</b>	<b>483,197</b>	<b>934,495</b>	<b>945,968</b>
Materials and services	-200,969	-214,946	-385,280	-409,867
Employee benefit expenses	-53,143	-56,420	-112,648	-112,720
Depreciation, amortisation and impairments	-95,532	-88,483	-181,196	-171,883
Other operating expenses	-50,378	-60,165	-103,954	-117,805
<b>Operating result, EBIT</b>	<b>75,537</b>	<b>63,183</b>	<b>151,418</b>	<b>133,692</b>
Finance income	279	262	530	496
Finance expense	-4,186	-4,454	-8,539	-9,590
Group contribution	-13,123	0	-13,123	0
Share of associates' results	23	15	12	14
<b>Net result before income tax</b>	<b>58,530</b>	<b>59,006</b>	<b>130,297</b>	<b>124,612</b>
Income tax expense	-10,179	-11,633	-25,994	-25,793
<b>Net result for the period</b>	<b>48,351</b>	<b>47,373</b>	<b>104,304</b>	<b>98,819</b>
Attributable to:				
Owners of the parent	48,351	47,373	104,304	98,819
Earnings per share for net result attributable to owners of the parent:				
Earnings per share, basic and diluted (EUR)	0.37	0.36	0.79	0.75

Notes are an integral part of the Financial Statements Bulletin.

## Consolidated statement of comprehensive income

EUR in thousands	1 Jul–31 Dec 2020	1 Jul–31 Dec 2019	1 Jan–31 Dec 2020	1 Jan–31 Dec 2019
<b>Net result for the period</b>	<b>48,351</b>	<b>47,373</b>	<b>104,304</b>	<b>98,819</b>
<b>Items that will not be reclassified to profit or loss:</b>				
Remeasurements of post employment benefit obligations	-14	160	290	126
<b>Other comprehensive income, net of tax</b>	<b>-14</b>	<b>160</b>	<b>290</b>	<b>126</b>
<b>Total comprehensive income</b>	<b>48,337</b>	<b>47,533</b>	<b>104,593</b>	<b>98,945</b>
Attributable to:				
Owners of the parent	48,337	47,533	104,593	98,945

Notes are an integral part of the Financial Statements Bulletin.

## Consolidated statement of financial position

EUR in thousands	31 Dec 2020	31 Dec 2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	338,706	338,706
Other intangible assets	209,793	196,562
Property, plant and equipment	461,717	427,442
Right-of-use assets	169,390	76,237
Investments in associates	1,228	1,219
Other investments	111	110
Trade and other receivables	82,224	76,465
Contract assets	2,727	3,881
Deferred tax assets	7,617	7,164
<b>Total non-current assets</b>	<b>1,273,511</b>	<b>1,127,786</b>
<b>Current assets</b>		
Inventories	33,724	34,303
Trade and other receivables	289,603	254,841
Contract assets	3,440	4,912
Income tax receivables	3,884	2,155
Cash and cash equivalents	7,633	17,423
<b>Total current assets</b>	<b>338,284</b>	<b>313,634</b>
<b>Total assets</b>	<b>1,611,796</b>	<b>1,441,420</b>
<b>Equity</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	72,702	72,702
Reserve for invested unrestricted equity	506,079	506,079
Treasury shares	-1,728	-1,728
Retained earnings	-24,155	-124,757
Net result for the period	104,304	98,819
<b>Total equity</b>	<b>657,202</b>	<b>551,115</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	357,628	472,445
Lease liabilities	149,163	60,587
Contract liabilities	1,338	1,813
Employment benefit obligations	1,156	1,540
Provisions	11,833	4,996
Deferred tax liabilities	44,145	36,863
Other non-current liabilities	24,409	25,606
<b>Total non-current liabilities</b>	<b>589,672</b>	<b>603,851</b>
<b>Current liabilities</b>		
Borrowings	59,987	28,810
Lease liabilities	38,248	14,652
Contract liabilities	1,916	2,876
Provisions	208	470
Trade and other payables	264,180	239,257
Income tax liabilities	381	388
<b>Total current liabilities</b>	<b>364,921</b>	<b>286,454</b>
<b>Total equity and liabilities</b>	<b>1,611,796</b>	<b>1,441,420</b>

Notes are an integral part of the Financial Statements Bulletin.

## Consolidated statement of cash flows

EUR in thousands	1 Jan–31 Dec 2020	1 Jan– 31 Dec 2019
<b>Cash flows from operating activities</b>		
Net result for the period	104,304	98,819
Adjustments <sup>1)</sup>	214,534	206,951
Change in net working capital <sup>2)</sup>	4,081	-34,546
Dividends received	36	44
Interest paid	-5,480	-5,648
Interest received	471	370
Other financial items	-1,734	-2,589
Income taxes paid	-21,018	-29,823
<b>Net cash generated from operating activities</b>	<b>295,193</b>	<b>233,577</b>
<b>Cash flows from investing activities</b>		
Investments in property, plant and equipment (PPE) and intangible assets	-172,136	-132,852
Proceeds from sale of PPE	5	2,013
Business combinations	-1	-42,180
Group account receivable	-23,666	0
<b>Net cash used in investing activities</b>	<b>-195,798</b>	<b>-173,019</b>
<b>Cash flows from financing activities</b>		
Dividends paid	0	-145,400
Proceeds from borrowings	83,097	848,801
Repayment of borrowings	-168,041	-752,534
Repayment of lease liabilities	-24,240	-16,657
<b>Net cash used in financing activities</b>	<b>-109,184</b>	<b>-65,790</b>
Change in cash and cash equivalents	-9,790	-5,232
Cash and cash equivalents at beginning of period	17,423	22,654
Cash and cash equivalents at end of period	7,633	17,423
<b>1) Adjustments:</b>		
Depreciation, amortisation and impairment	181,196	171,883
Gains and losses on disposals of non-current assets	-1	-4
Other non-cash income and expense	-12	-14
Other non-cash income and expense	8,010	9,094
Income tax expense	25,994	25,793
Change in provisions	-652	198
<b>Total adjustment</b>	<b>214,534</b>	<b>206,951</b>
<b>2) Change in net working capital:</b>		
Change in trade and other receivables	-1,003	-22,858
Change in inventories	579	-2,622
Change in trade and other payables	4,504	-9,066
<b>Change in net working capital</b>	<b>4,081</b>	<b>-34,546</b>

Notes are an integral part of the Financial Statements Bulletin.

## Consolidated statement of changes in equity

EUR in thousands	Share capital	Reserve for invested unrestricted equity	Treasury shares	Retained earnings	Total equity
<b>1 January 2019</b>	<b>72,702</b>	<b>506,079</b>	<b>-2,806</b>	<b>28,794</b>	<b>604,770</b>
<b>Comprehensive income</b>					
Net result for the period				98,819	98,819
<b>Other comprehensive income</b>					
Total other comprehensive income, net of tax				126	126
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98,945</b>	<b>98,945</b>
<b>Transactions with owners</b>					
Share-based payments			1,078	-8,278	-7,200
Dividends relating to 2018				-145,400	-145,400
<b>Total contribution by and distributions to owners</b>	<b>-</b>	<b>0</b>	<b>1,078</b>	<b>-153,678</b>	<b>-152,600</b>
<b>31 December 2019</b>	<b>72,702</b>	<b>506,079</b>	<b>-1,728</b>	<b>-25,939</b>	<b>551,115</b>
<b>1 January 2020</b>	<b>72,702</b>	<b>506,079</b>	<b>-1,728</b>	<b>-25,939</b>	<b>551,115</b>
<b>Comprehensive income</b>					
Net result for the period				104,304	104,304
<b>Other comprehensive income</b>					
Total other comprehensive income, net of tax				290	290
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>104,593</b>	<b>104,593</b>
<b>Transactions with owners</b>					
Share-based payments				1,494	1,494
<b>Total contribution by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,494</b>	<b>1,494</b>
<b>31 December 2020</b>	<b>72,702</b>	<b>506,079</b>	<b>-1,728</b>	<b>80,148</b>	<b>657,202</b>

Notes are an integral part of the Financial Statements Bulletin.



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## 1 Accounting principles

This Financial Statements Bulletin has been prepared in accordance with IFRS regulations and measurement principles and complies with the requirements of the IAS 34 standard. The information has been prepared in accordance with International Financial Reporting Standards, as approved for application throughout the European Union. The accounting principles are identical to those applied to the Financial Statements of 31 December 2019 with the exception of new and amended standards effective as of 1 January 2020. This report should be read in connection with the 2019 Financial Statements. The information presented in the report is unaudited.

### Reclassification

The presentation of the income statements was changed to meet Telenor requirements and other income is reported as part of revenue. The company published the effects of the reclassification 28 April 2020 on the 2019 comparison figures. Telenor ASA's published figures for DNA, differ due to differences in the classification of certain items.

## 2 Revenue

The group revenue consists of income from contracts with customers. The Consumer segment revenue in H2 2020 was EUR 363.4 million and the Corporate segment revenue was EUR 112.2 million. Segment revenue is derived from the transfer of goods and services in the following:

EUR in millions	1 Jul–31 Dec 2020		1 Jul–31 Dec 2019		1 Jan–31 Dec 2020		1 Jan–31 Dec 2019	
	Point in time	Over time	Point in time	Over time	Point in time	Over time	Point in time	Over time
<b>Timing of revenue recognition</b>								
Subscription and traffic		250		247		500		486
Interconnect revenues		20		20		41		40
<b>Mobile revenues subscriptions</b>		<b>270</b>		<b>267</b>		<b>541</b>		<b>526</b>
Other mobile revenues		6		5		11		10
<b>Total mobile revenues</b>		<b>276</b>		<b>272</b>		<b>552</b>		<b>536</b>
Non-mobile revenues	82	10	85	9	149	19	160	18
Other revenues*		2		2		4		4
<b>Total revenues mobile operation</b>	<b>82</b>	<b>288</b>	<b>85</b>	<b>284</b>	<b>149</b>	<b>574</b>	<b>160</b>	<b>558</b>
Telephony		8		8		17		18
Internet and TV		75		74		147		145
Other revenues		14		25		31		50
<b>Total retail revenues</b>		<b>97</b>		<b>107</b>		<b>195</b>		<b>214</b>
Wholesale revenues		8		8		16		15
<b>Total revenues fixed operation</b>		<b>106</b>		<b>115</b>		<b>211</b>		<b>229</b>
<b>Total revenues</b>	<b>82</b>	<b>393</b>	<b>85</b>	<b>398</b>	<b>149</b>	<b>785</b>	<b>160</b>	<b>787</b>

\*Other revenues consist of rental income and income from the sale of assets.

### 3 Segment information

#### 1 Jul–31 Dec 2020

EUR in thousands				
Business segments	Consumer segment	Corporate segment	Unallocated	Group total
<b>Net sales</b>	<b>363,355</b>	<b>112,205</b>	-	<b>475,560</b>
<b>EBITDA</b>	<b>132,344</b>	<b>38,725</b>	-	<b>171,069</b>
Depreciation, amortisation and impairments	66,289	29,243	-	95,532
<b>Operating result, EBIT</b>	<b>66,055</b>	<b>9,482</b>	-	<b>75,537</b>
Net finance items			-3,907	-3,907
Share of associates' results			23	23
Group contribution				-13,123
Net result before income tax				58,530
<b>Net result for the period</b>				<b>48,351</b>
Capital expenditure*	154,377	103,055		257,432
Employees at end of period	899	710		1,609

#### 1 Jul–31 Dec 2019

EUR in thousands				
Business segments	Consumer segment	Corporate segment	Unallocated	Group total
<b>Net sales</b>	<b>369,628</b>	<b>113,568</b>		<b>483,197</b>
<b>EBITDA</b>	<b>116,370</b>	<b>35,297</b>		<b>151,667</b>
<b>Comparable EBITDA</b>	<b>118,908</b>	<b>37,048</b>		<b>155,956</b>
Depreciation, amortisation and impairments	57,314	31,169		88,483
<b>Operating result, EBIT</b>	<b>59,056</b>	<b>4,127</b>		<b>63,183</b>
<b>Comparable operating result, EBIT</b>	<b>64,704</b>	<b>5,879</b>		<b>70,583</b>
Net finance items			-4,192	-4,192
Share of associates' results			15	15
Net result before income tax				59,006
<b>Net result for the period</b>				<b>47,373</b>
Capital expenditure*	66,504	34,857		101,361
Employees at end of period	933	691		1,624

\* Capital expenditure comprises additions to intangible and tangible assets, excluding business combinations, and additions relating to decommissioning obligations. Additionally, capital expenditure includes capitalised spectrum license payments made during the reporting period and lease investments (IFRS 16).

## 3 Segment information

**1 Jan–31 Dec 2020**

EUR in thousands

Business segments	Consumer segment	Corporate segment	Unallocated	Group total
<b>Net sales</b>	<b>709,569</b>	<b>224,926</b>	-	<b>934,495</b>
<b>EBITDA</b>	<b>258,353</b>	<b>74,261</b>		<b>332,613</b>
Depreciation, amortisation and impairments	121,269	59,926		181,196
<b>Operating result, EBIT</b>	<b>137,083</b>	<b>14,335</b>		<b>151,418</b>
Net finance items			-8,010	-8,010
Share of associates' results			12	12
Group contribution				-13,123
Net result before income tax				130,297
<b>Net result for the period</b>				<b>104,304</b>
Capital expenditure*	198,497	125,045		323,541
Employees at end of period	899	710		1,609

**1 Jan–31 Dec 2019**

EUR in thousands

Business segments	Consumer segment	Corporate segment	Unallocated	Group total
<b>Net sales</b>	<b>720,152</b>	<b>225,816</b>	-	<b>945,968</b>
<b>EBITDA</b>	<b>233,532</b>	<b>72,043</b>		<b>305,575</b>
<b>Comparable EBITDA</b>	<b>236,070</b>	<b>73,795</b>		<b>309,865</b>
Depreciation, amortisation and impairments	111,133	60,751		171,883
<b>Operating result, EBIT</b>	<b>122,399</b>	<b>11,292</b>		<b>133,692</b>
<b>Comparable operating result, EBIT</b>	<b>128,047</b>	<b>13,044</b>		<b>141,091</b>
Net finance items			-9,094	-9,094
Share of associates' results			14	14
Net result before income tax				124,612
<b>Net result for the period</b>				<b>98,819</b>
Capital expenditure*	98,467	60,240		158,707
Employees at end of period	933	691		1,624

\*Capital expenditure comprises additions to intangible and tangible assets, excluding business combinations, and additions relating to decommissioning obligations. Additionally, capital expenditure includes capitalised spectrum license payments made during the reporting period and lease investments (IFRS 16).

As key figures for business segments, in addition to segment net sales, DNA presents comparable EBITDA and comparable EBIT, which have been adjusted with material items outside of ordinary course of business to improve comparability between periods. DNA's chief operative decision-maker assesses segment performance mainly based on these key figures. Items affecting comparability include essential items such as net gain or losses from business disposals, direct transaction costs related to

business acquisitions, impairment of non-current assets, costs for closure of business operations and restructurings, fines or other similar payments, damages as well as costs related to a one time study on the Company's strategic alternatives to grow its shareholder base, costs related to the strategic assessment work of the Board of Directors as well as direct transaction costs of and cost impacts of the listing.

## 4 Capital expenditure

EUR in thousands	1 Jul–31 Dec 2020	1 Jul–31 Dec 2019	1 Jan–31 Dec 2020	1 Jan–31 Dec 2019
Capital expenditure*				
Intangible assets	30,002	24,101	55,038	48,677
Property, plant and equipment	227,430	77,260	268,502	110,031
<b>Total</b>	<b>257,432</b>	<b>101,361</b>	<b>323,540</b>	<b>158,707</b>

\* Capital expenditure comprises additions to intangible and tangible assets, excluding business combinations, and additions relating to decommissioning obligations. Additionally, capital expenditure includes capitalised spectrum license payments made during the reporting period and lease investments (IFRS 16).

Major individual items included in capital expenditure are radionetwork capacity expansion and development related to 5G readiness, fiber optic networks and IT.

## 5 Equity

	Shares outstanding (thousands)	Treasury shares (thousands)	Total number of shares (thousands)	Share capital (EUR in thousands)	Reserve for invested unrestricted equity (EUR in thousands)
1 January 2019	132,121	183	132,304	72,702	506,079
Share issue	61	-61			
31 December 2019	132,182	121	132,304	72,702	506,079
31 December 2020	132,182	121	132,304	72,702	506,079

DNA Plc has one type of share. The total number of shares is 132,303,500 (31 December 2019 132,303,500). The number of outstanding shares is 132,182,184 (31 December 2019 132,182,184). The shares do not have a nominal value. On 31 December 2020, DNA Plc's share capital amounted to EUR 72,702,226. All issued shares have been paid in full.

### Treasury shares

	Amount
Treasury shares 31 December 2020	121,316

Treasury shares represent 0.09 per cent of the votes.

## 6 Borrowings

EUR in thousands	31 Dec 2020	31 Dec 2019
<b>Non-current borrowings</b>		
Loans from financial institutions		169,231
Bonds	244,532	303,215
Lease liabilities	149,163	60,587
Other borrowings	113,096	
<b>Total</b>	<b>506,792</b>	<b>533,033</b>
<b>Current borrowings</b>		
Loans from financial institutions		13,846
Bonds	59,987	
Commercial papers		14,964
Lease liabilities	38,248	14,652
<b>Total</b>	<b>98,235</b>	<b>43,463</b>

## 7 Net debt

EUR in thousands	31 Dec 2020	31 Dec 2019
Non-current borrowings	506,792	533,033
Current borrowings	98,235	43,463
Total borrowings	605,027	576,495
Less cash and cash equivalents	7,633	17,423
<b>Net debt</b>	<b>597,394</b>	<b>559,073</b>

EUR in thousands	Reported in cash flows from financing activities			
	Cash	Current borrowings	Non-current borrowings	Net debt
<b>1 January 2019</b>	<b>22,654</b>	<b>53,837</b>	<b>348,090</b>	<b>379,273</b>
<b>IFRS 16 effect 1 Jan 2019</b>		<b>14,775</b>	<b>67,329</b>	<b>82,104</b>
Change in cash	-5,232			5,232
Proceeds from borrowings		712,180	136,622	848,801
Repayment of borrowings		-762,268	-6,923	-769,191
Other non-cash transactions		24,938	-12,084	12,854
<b>31 December 2019</b>	<b>17,423</b>	<b>43,463</b>	<b>533,033</b>	<b>559,073</b>
Change in cash	-9,790			9,790
Proceeds from borrowings		10,000	73,097	83,097
Repayment of borrowings		-118,435	-73,846	-192,281
Other non-cash transactions		163,207	-25,491	137,716
<b>31 December 2020</b>	<b>7,633</b>	<b>98,235</b>	<b>506,792</b>	<b>597,394</b>

The Group's cash and undrawn credit facilities totalled EUR 149 million (282). In addition to cash and cash equivalents, DNA has group account receivables of EUR 29 million (-).

DNA joined Telenor's cash pool in January.

## 8 Provisions

EUR in thousands	1 Jan 2020	Additions	Provisions used	Other/Discount effect	31 Dec 2020
Asset retirement obligation	4,789	6,844	-	-	11,633
Restructuring provisions	469	2	-270		200
Other provision	208	-	-	-	208
<b>Total</b>	<b>5,466</b>	<b>6,845</b>	<b>-270</b>		<b>12,041</b>

### Asset retirement obligation

The asset retirement obligation provision comprise 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 45 years for data centres and masts. Realising the dismantling and demolition costs do not involve any significant uncertainties.

The calculation method for asset retirement obligations has been modified due to changes in business environment estimates following the change in ownership structure. This has caused the provision to increase significantly compared to the beginning of year 2020.



## 9 Related party transactions

DNA's related parties include the main shareholders which have significant influence over the group, subsidiaries, associated companies, joint arrangements and members of the Board of Directors and the management team,

including the CEO and the deputy CEO as well as their close family members. In addition, related parties include all entities controlled or jointly controlled by a person identified as related party.

The following related party transactions were carried out:

### Jan–Dec 2020

EUR in thousands	Organisations exercising significant influence	Associated companies
Sales	1,936	-
Purchases	6,795	431
Group contributions	13,123	-
Receivables	23,994	-
Liabilities	123,875	-

### Jan–Dec 2019

EUR in thousands	Organisations exercising significant influence	Associated companies
Sales	15	-
Purchases	1,810	432
Receivables	10	-
Liabilities	100,305	2

## 10 Share-based payments

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

DNA Plc's Board of Directors has resolved on 3 October 2019 to terminate DNA's long-term share-based incentive schemes for senior executives and other key employees. The Board of Directors has also resolved on the payment of rewards thereunder in cash.

In respect of the PSP programmes 2018–2020 and 2019–2021 as well as the RSP programme 2019–2021, the payment of the cash reward to around 70 participants took place on 20 June 2020. Payments of the cash reward were conditional on the participants' employment continuing until the payment of the reward or that the participant is a good leaver in accordance with the applicable terms and conditions.

Share-based reward plan	PSP 2019–2021	PSP 2018–2020
Grant date	30 January 2019	17 January 2018
Maximum number of shares	382,158	372,600
Fair value of the reward at grant date	9.66	6.12
Share price at grant date	18.39	15.07
Valid until	30 June 2020	30 June 2020
Expected volatility of share prices		19%
Expected dividends		3.12
Risk-free interest rate		–0.29%
Implementation	Reclassified as cash based	Reclassified as cash based

Share-based reward plan	RSP 2018–2020	RSP 2019–2021
Grant date	9 April 2019	9 April 2019
Maximum number of shares	45,000	37,500
Fair value of the reward at grant date	20.12	19.11
Share price at grant date	21.14	21.14
Valid until	30 June 2020	30 June 2020
Implementation	Reclassified as cash based	Reclassified as cash based

### Share-Based payments

EUR in thousands	Jul–Dec 2020	Jul–Dec 2019	Jan–Dec 2020	Jan–Dec 2019
Expense recorded in the income statement				
Share-based payments	0	4,435	2,037	6,298
<b>Paid</b>				<b>2020</b>
Share-based payments				4,780
<b>Total</b>				<b>4,780</b>

## **DNA's financial reporting in 2021**

- DNA changed its financial reporting starting from the beginning of 2020. The company publishes a half-year (January–June) financial report and a financial statements bulletin for the 2020 financial period. For the January–March and January–September periods, DNA publishes Business reviews including CEO's review and certain financial and operative key figures as a press release.
  - January–March 2021 business review as press release will be published on 4 May 2021
  - Half year (January–June) 2021 financial report will be published on 20 July 2021
  - January–September 2021 business review as press release will be published on 28 October 2021
  - DNA's electronic annual report, which contains the complete Financial Statements 2020, will be published at the latest during the week starting from 1 March 2021 (week 9/2021).
- Due to delisting of DNA's share from Nasdaq Helsinki on 3 February 2020, DNA is not subject to reporting obligations as an issuer of shares as set out in the Finnish Securities Markets Act. DNA is still subject to reporting obligations as an issuer of senior unsecured fixed rate notes due in 2025 (ISIN: FI4000312095) listed in Nasdaq Helsinki stock exchange.

