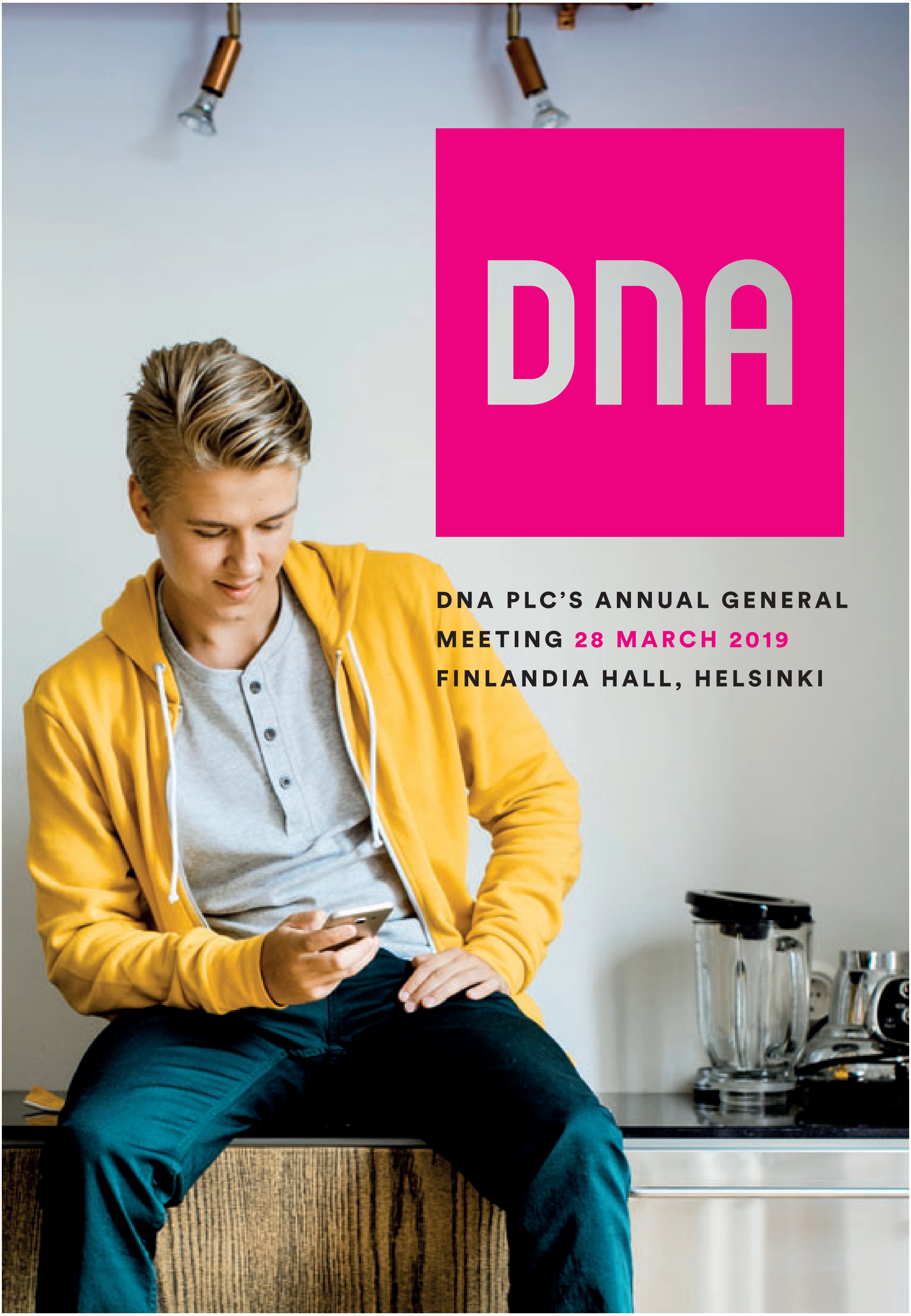

DNA PLC'S ANNUAL GENERAL MEETING 28 MARCH 2019

FINLANDIA HALL, HELSINKI

INDEX

AGENDA OF THE ANNUAL GENERAL MEETING

1. Opening of the meeting
2. Calling the meeting to order
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    Salary and Compensation Report 2018 can be found from pages 58–69.
11. Resolution on the remuneration of the members of the Board of Directors
12. Resolution on the number of members of the Board of Directors
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14. Resolution on the remuneration of the auditor
15. Election of the auditor
16. The Board's share purchase authorisation
17. Authorisation of the Board of Directors to decide on a share issue, to dispose of own shares held by the company and an issue of other special rights entitling to shares
18. Closing of the meeting

PROPOSALS OF THE BOARD OF DIRECTORS AND THE DNA SHAREHOLDERS' NOMINATION COMMITTEE TO THE ANNUAL GENERAL MEETING

8 Board of Directors' proposal for distributable funds

DNA Plc's distributable funds in the financial statements amounted to EUR 153,757,726.37 of which the result for the financial year came to EUR 89,225,172.49.

The Board of Directors proposes to the Annual General meeting that a dividend of EUR 0,70 per share and an extra dividend of EUR 0,40 per share be distributed.

The proposed dividend and the extra dividend, in total of EUR 1,10 per share correspond with a 6.4 per cent dividend yield in accordance with the closing price of 31 December 2018. The total amount of dividend distributed in accordance with the number of shares on the AGM day, 28 March 2019 amounts to EUR 145.4 million. The Board of Directors proposes that the remaining share of distributable funds be retained in the non-restricted equity.

According to the proposal, the dividend will be paid to shareholders registered in the company's shareholder register held by Euroclear Finland Ltd on the dividend record date of 1 April 2019. It is proposed that the dividend be paid on 10 April 2019.

11 Resolution on the remuneration of the members of the Board of Directors

The Shareholders' Nomination Committee proposes that the remuneration of the Board of Directors remain unchanged.

The Nomination Committee proposes that the Chairman of the Board be paid annual remuneration of EUR 144,000 and the members EUR 48,000. It is proposed that the meeting fee paid for Board meetings be EUR 1,050 per meeting. The proposed meeting fee per meeting of the Board's permanent committees is EUR 1,050 for the committee chairs and EUR 525 for each committee member.

The Nomination Committee recommends that each member of the Board annually spend at least 40 per cent of their annual remuneration, net of withholding tax, for the purchase of the company's shares until the value of their shareholding corresponds to the gross amount of the annual remuneration.

The decisions and guidelines of the tax administration apply to the remuneration of any travel expenses.

12 Resolution on the number of members of the Board of Directors

The Shareholders' Nomination Committee proposes that the number of Board members be seven (7).

13 Election of the members of the Board of Directors

The Shareholders' Nomination Committee proposes the re-election of the current Board members Pertti Korhonen, Anu Nissinen, Tero Ojanperä, Jukka Ottela and Kirsi Sormunen. The Nomination Committee proposes the election of Ted Roberts and Anni Ronkainen as new Board members.

The Shareholders' Nomination Committee also proposes that Pertti Korhonen continue as the Chairman of the Board of Directors.

***

The Nomination Committee consists of three members appointed by the shareholders. The members of the Nomination Committee are Tommi Aurejärvi (Chairman, appointed by Finda Telecoms Oy), Seppo Vikström (appointed by PHP Holding Oy) and Esko Torsti (appointed by Ilmarinen Mutual Pension Insurance Company). In addition, the Chairman of the company's Board of Directors participates in committee work in the capacity of a specialist. The three shareholders entered in the company's shareholders' register maintained by Euroclear Finland Ltd, whose portion of the votes produced by all the shares in the company according to the shareholders' register are the greatest on 1 September each year, shall have the right to appoint members representing shareholders.

SHAREHOLDERS' NOMINATION COMMITTEES PROPOSAL FOR THE MEMBERS OF THE BOARD

Pertti Korhonen
Born 1961
Education: M.Sc. (Tech.)
Main occupation: Various positions of trust

Member of DNA's Board of Directors since 25 October 2016, and Chair of the Board since 1 December 2016. Chair of the Personnel Committee (formerly the Remuneration Committee) since December 2016. Independent of the company and its major shareholders.

Anu Nissinen
Born 1963
Education: M.Sc. (Econ.)
Main occupation: Digma Design Oy, CEO since 2016

Member of DNA's Board of Directors since 2014. Member of the Personnel Committee since 2017. Independent of the company and major shareholders.

Tero Ojanperä
Born 1966
Education: PhD, Electrical Engineering
Main occupation: Silo.AI Oy, CEO and member of the Board

Member of DNA's Board of Directors since 2014.
Independent of the company and major shareholders.

Jukka Ottela
Born 1953
Education: M.Sc. (Econ.), LL.M.
Main occupation: Various positions of trust

Member of DNA's Board of Directors since 2010. Member of DNA's Audit Committee since 2011. Member of the Personnel Committee (formerly the Remuneration Committee) since 2014. Independent of the company, not independent of major shareholders.

Kirsi Sormunen
Born 1957
Education: M.Sc. (Econ.)
Main occupation: Various positions of trust

Member of DNA's Board of Directors since 2014. Chair of DNA's Audit Committee since 2014. Independent of the company and major shareholders.

Anni Ronkainen
Born 1966
M.Sc. (Econ.)
Kesko Plc, Chief Digital Officer
Main occupation: Kesko Corporation, Chief Digital Officer, 2015–

Independent of the company and of major shareholders.
Anni Ronkainen has strong expertise in marketing and digital customer experience.

Ted Roberts
Born 1974
Member of the Board
DI
Realstocks Ltd, CEO and Founding Partner
Main occupation: Realstocks Ltd, CEO and Founding Partner, Oct. 2018–

Independent of the company, non-independent of major shareholders. Roberts has long experience from the financial sector, for example, from international banks and investment activities, and as an equity analyst.

14 Resolution on the remuneration of the auditor

The Board of Directors proposes that the auditor be reimbursed as per the invoice approved by the company.

15 Election of the auditor

The Board of Directors proposes that Authorised Public Accountants Ernst & Young Oy be elected as the company's auditor for the financial year 2019. Ernst & Young Oy has announced that APA Terhi Mäkinen would act as the principal auditor.

16 The Board's share purchase authorisation

The Board of Directors proposes that the Board be authorised to decide to repurchase or accept as pledge up to 4,000,000 own shares of the company using the company's unrestricted shareholders' equity. The purchase can take place on one or more occasions. The purchase price of the shares is the market price paid for the share at the time of the purchase in trading on a regulated market. Own shares may be repurchased through conventional derivatives, stock lending agreements or other agreements on capital markets, as permitted by law and regulations. The purchase price of own shares, including expenses, shall be covered primarily by the invested unrestricted equity fund and secondarily from retained earnings.

This authorisation grants the Board of Directors the right to decide on the repurchase of shares also in other ways than in proportion to the shareholders' shareholdings (directed repurchase).

Own shares can be repurchased to implement acquisitions or other arrangements related to the company's business, to improve the company's capital structure, for the company's incentive schemes or to be otherwise held, disposed of or cancelled.

The authorisation will be effective until 30 June 2020. The authorisation cancels the previous authorisation granted by the Annual General Meeting of 22 March 2018 to the Board of Directors for the repurchase of own shares.

17 Authorisation of the Board of Directors to decide on a share issue, to dispose of own shares held by the company and an issue of other special rights entitling to shares

The Board of Directors proposes that the Board be authorised to decide on a share issue, to dispose of own shares held by the company and an issue of special rights entitling to shares as referred to in Chapter 10, Section 1, of the Companies Act.

Based on the authorisation, the Board is entitled to issue no more than 10,000,000 new shares or treasury shares on one or more occasions. The maximum number proposed corresponds to around 7,6 per cent of all the company's current shares.

The share issue may also take the form of a directed issue in deviation from the shareholders' pre-emptive rights. The authorisation can be used to implement mergers and acquisitions, to develop the company's capital structure, in the company's incentive schemes and to other purposes decided by the Board. The Board is authorised to decide on all other terms and conditions related to issuing shares and granting special rights entitling holders to shares.

The authorisation will be effective until 30 June 2020. The authorisation supersedes the authorisation granted to the Board of Directors by the Annual General Meeting of 22 March 2018 to decide on a share

GROWTH, PROFITABILITY AND HIGHER CUSTOMER AND PERSONNEL SATISFACTION

2018 was an excellent year for DNA across the board. Our net sales, operating result and operative free cash flow improved significantly year-on-year, reaching record levels for the second consecutive year. Our customers were increasingly satisfied with our operations. DNA was awarded the Great Place to Work® certificate for the second consecutive year and was chosen the best workplace in Finland in the category of large organisations. Our customer base grew in both the mobile and fixed network, and we also increased our market share. DNA's subscription base in the mobile and fixed network exceeded 4 million, and DNA became the second-largest fixed broadband service provider in Finland.

FOCUS ON CUSTOMER SATISFACTION

A key element in our strategy is differentiation in the market by creating the best customer experience with the aim of having the most satisfied customers in Finland. In 2018, our customer satisfaction improved further, and the Net Promoter Score (NPS) metrics, which measure the likelihood that a customer would recommend the product or service, improved in all areas. In Consumer Business, product-specific NPS improved across all product groups and NPS, which measures overall customer loyalty, improved by 2 points. In Corporate Business, overall satisfaction improved notably and the NPS was up by as many as 3 points.

SATISFIED PERSONNEL

In February 2019, DNA was chosen the best workplace in Finland in the category of large organisations. This recognition comes as a result of long-term efforts to create a culture of trust through openness and transparency. This is the foundation for the continuous development of our working environment together as a team. We have placed special emphasis on competence development to make sure that we remain competitive, both at the individual level and as a company, now and in the future.

5G CREATES NEW BUSINESS OPPORTUNITIES

Reliable, extensive and fast networks are the key to providing excellent customer experience. We have been preparing for the arrival of the fifth-generation mobile technology, or 5G, for a long time. In the autumn of 2018, we won the 3.5 GHz frequency we pursued in the auction and launched a 5G network in Helsinki at the turn of the year. We will launch 5G services during 2019 once 5G-capable mobile devices become more widely available. DNA's customers already have the highest mobile data usage per subscription in the world, and the migration to 5G will enable us to support growth in the years to come. Mobile users will benefit from 5G through faster data connections, but the technology also enables faster broadband connections for homes as well as versatile corporate solutions from port automation to remote robotics. The new DNA Connectivity IoT service that we launched in 2018 is a good example of a smooth transition from 4G to 5G.

RELIABILITY AND RESPONSIBILITY ARE IN OUR DNA

At the heart of DNA is to operate as a reliable and responsible corporate citizen. We updated our responsibility strategy around four key areas: digital inclusion, being a great place to work, climate-friendly operations and good governance. As a concrete example, I would like to mention the charity campaign towards the end of 2018 to collect funds for the prevention of digital inequality among the most vulnerable children and young people. During the campaign, DNA invited the public to bring their old phones to DNA Stores for recycling. In return for each phone, DNA donated 10 euros to SOS Children's Villages for the purpose of purchasing devices and subscriptions. The campaign succeeded in raising EUR 72,000 for an important cause and also recycled old phones in an environmentally friendly and responsible way.

EXCELLENT RETURN TO SHAREHOLDERS

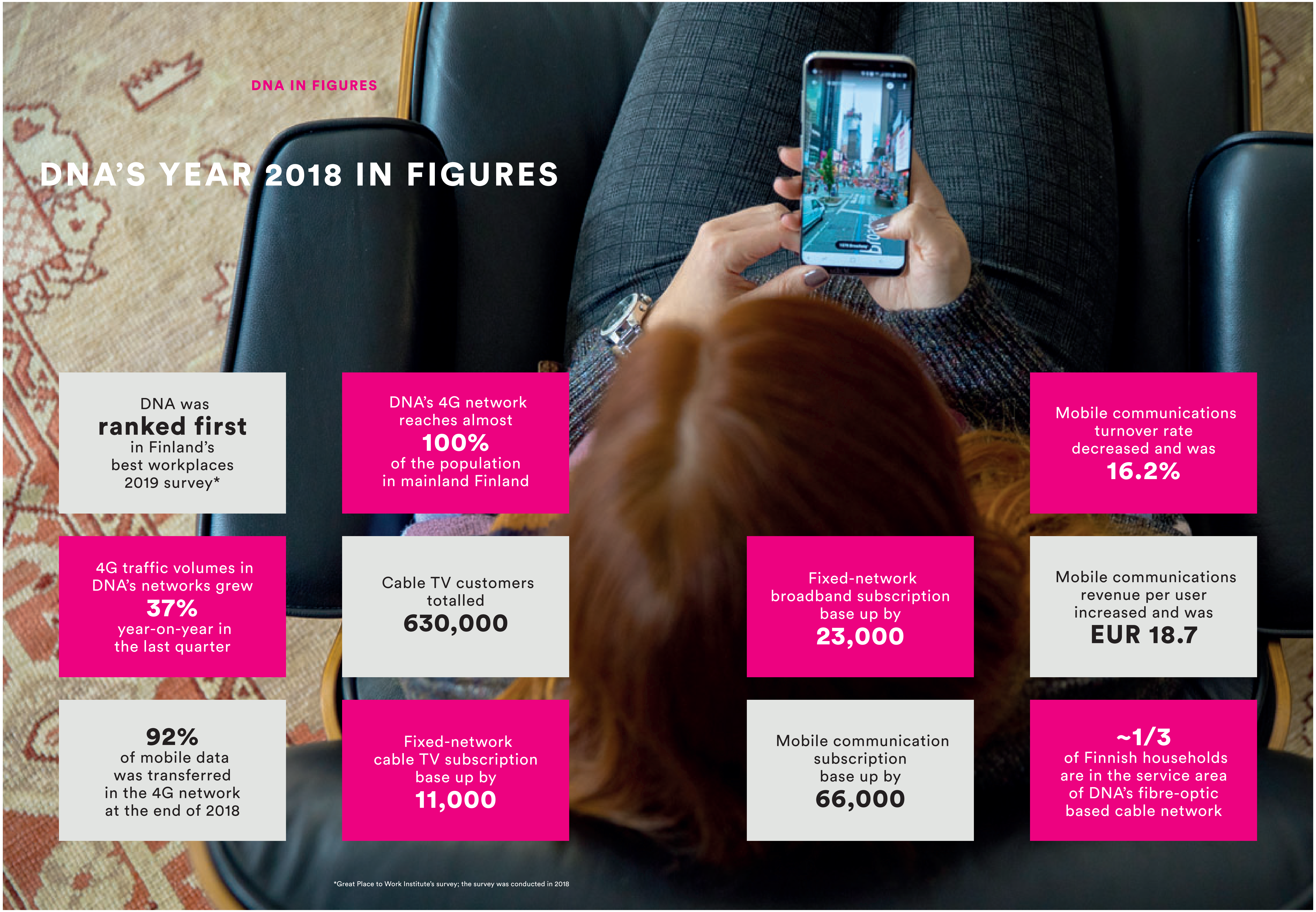
DNA's share value developed favourably in 2018. DNA's excellent free cash flow for 2018 and strong balance sheet again allowed the Board of Directors to make a generous dividend proposal to the Annual General Meeting – a dividend and an extra dividend totalling EUR 1.10 per share. Our balance sheet will remain strong after the proposed dividend payment, allowing us to leverage new business opportunities in the future and increase shareholder value in the long term.

POSITIVE FUTURE EXPECTATIONS

While the rate of growth is levelling, the Finnish economy remains on the growth path. Both consumer and corporate business confidence are relative strong and the improved employment situation has a positive impact on the demand of operator services. Competition remained intense throughout the year, in mobile communication in particular, but on the other hand, customers continued to switch to faster 4G subscriptions. In 2019, DNA's net sales are expected to remain at the same level as in 2018, and EBITDA in 2019 is expected to increase substantially from 2018, in part due to the adoption of the IFRS16 accounting standard. We expect our profitability to improve further in the medium term, and have set a new EBITDA margin target of at least 34%.

At the best workplace in Finland, we at DNA continue to work for the benefit of our customers and shareholders. I would like to thank our personnel, customers and shareholders for our continued success in 2018.

Jukka Leinonen



DNA'S YEAR 2018 IN FIGURES

DNA was **ranked first** in Finland's best workplaces 2019 survey*

DNA's 4G network reaches almost **100%** of the population in mainland Finland

Mobile communications turnover rate decreased and was **16.2%**

4G traffic volumes in DNA's networks grew **37%** year-on-year in the last quarter

Cable TV customers totalled **630,000**

Fixed-network broadband subscription base up by **23,000**

Mobile communications revenue per user increased and was **EUR 18.7**

92% of mobile data was transferred in the 4G network at the end of 2018

Fixed-network cable TV subscription base up by **11,000**

Mobile communication subscription base up by **66,000**

~1/3 of Finnish households are in the service area of DNA's fibre-optic based cable network

*Great Place to Work Institute's survey; the survey was conducted in 2018

FINNISH PEOPLE USE THE MOST MOBILE DATA IN THE WORLD

The use of video and other entertainment over the Internet is on the increase, as is the use of social media and other applications. In the fourth quarter of 2018, 4G traffic volumes in DNA's networks were up 37% year-on-year. The new 5G networks and services will accelerate the use of mobile data further and will also extend it into new areas. Increasingly digital lives, both at home and work, create new business opportunities for telecommunications companies.

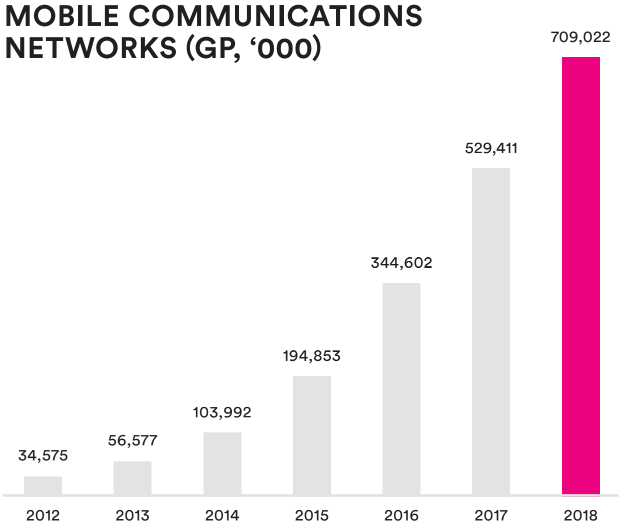
Number of connected devices grows constantly

The strong growth of Internet-connected devices continued in 2018: Finnish households owned and used a growing number of smart phones, tablets, smart televisions, wearable devices as well as smart household appliances.

According to a report by Ericsson*, the number of Internet-connected devices is expected to increase by an annual rate of almost 25% between 2016 and 2022. Ericsson projects that the number of Internet-connected devices will reach 29 billion in 2022, and 18 billion of these will be IoT devices.

As the new devices become more common and more integrated into everyday lives, interesting new service opportunities arise for DNA. People, businesses and the society in general will be more dependent on high-quality connections with higher speeds.

MOBILE DATA TRAFFIC IN DNA'S MOBILE COMMUNICATIONS NETWORKS (GP, '000)



*https://www.ericsson.com/en/mobility-report/internet-of-things-outlook

Customers continued to switch to faster 4G subscriptions

The trend spanning several years continued: sales revenue is transferring from voice and text messaging to mobile broadband. The mobile data transfer volumes per subscription are among the highest in the world in Finland. This is explained by high-quality connections, low price of mobile data and subscriptions that enable unlimited data transfer. The use of video and TV content over the Internet in particular has given a significant boost to the use of mobile data in Finland.

DNA's customers continued to switch their 3G subscriptions to high-speed 4G subscriptions, which have higher subscription-specific billing. This had a positive impact on DNA's net sales. At the end of 2018, some 61% of consumer customers had switched to a 4G subscription. In October-December 2018, as much as 92% of all mobile data was transmitted via the 4G network. In the past two years, the data traffic volume in DNA's mobile network has doubled and this trend is expected to continue with the introduction of 5G services.

5G services to be introduced in 2019

DNA is deploying 5G technology to accommodate for the growing data traffic and ensure high quality of service. With 5G, customers can enjoy even better and faster broadband connections. 4G will be used in parallel with 5G for a long time still. Finland is a world leader in the deployment of 5G technology; the auction for the 5G frequency bands took place in October 2018. DNA will launch 5G services during 2019 once 5G-capable mobile devices become more widely available.

During the first phase, DNA will offer high-quality 5G private and corporate broadband connections. 5G will enable fast and stable connections for many buildings without ready access to a fibre optic connection or where acquiring a fibre optic connection would be prohibitively expensive. 5G is also used to implement new

wireless services, such as mission-critical services which require low latency and extremely high reliability. The technology makes it possible to connect a broad range of devices and sensors to the Internet of Things, or IoT.

In the future, 5G will have a range of applications in areas such as health care, manufacturing, the vehicle industry as well as the distribution of water, electricity and heat.

Fixed broadband customers migrating to faster subscriptions

In Finland, the trend of xDSL subscribers migrating to considerably faster fixed cable or fibre-optic broadband subscriptions or replacing their xDSL connections with 4G connections continued (DSL, or Digital Subscriber Line is a family of technologies used to transmit digital data over telephone lines). A growing number of households uses both fixed and mobile broadband. The fixed-network broadband subscription base is expected to remain at its current level. The growing use of cloud and entertainment services maintains and increases the demand for cable- and fibre-based broadband subscriptions.

The housing association broadband market has grown in Finland over the past years, and is expected to keep growing in the near future.

Streaming and on-demand video services increasingly popular

Streaming and on-demand video services are challenging traditional TV channels. According to DNA's "Digitaaliset Elämäntavat" survey on the digital way of life in Finland, which was conducted in May 2018, Finns are watching more TV and video content than before.

The number of cable TV subscriptions has increased steadily by a few percentages per year and the number of connected households exceeded 1.7 million at the end of 2018.

The demand for fast broadband subscriptions and entertainment services is expected to increase, driven in particular by the popularity of streaming and on-demand video services. The demand for traditional pay-TV services is expected to decline further.

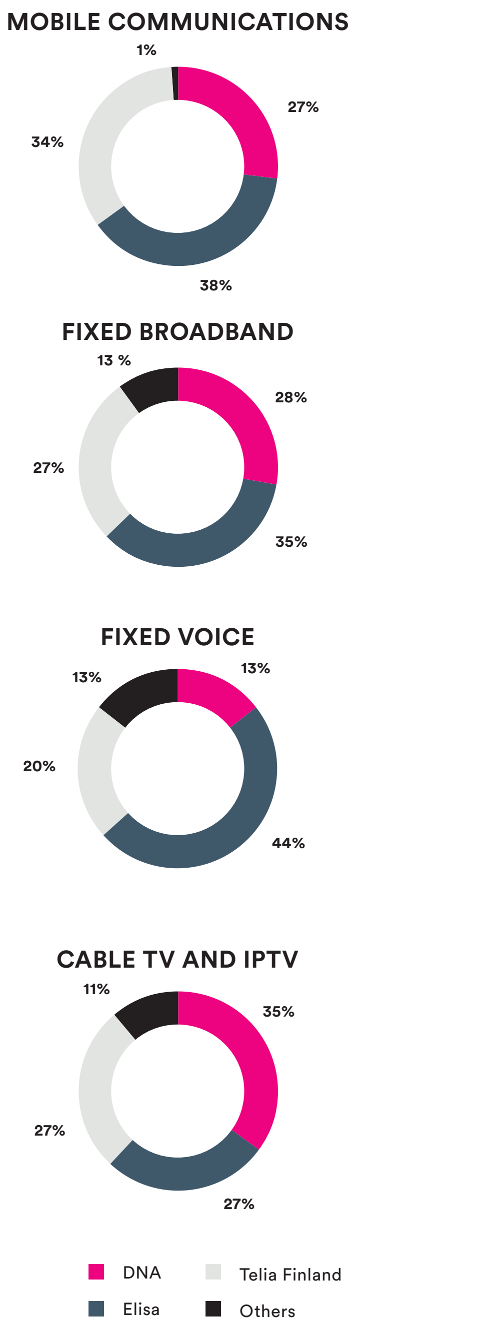
Companies work in increasingly digital ways

Private and public-sector organisations continued to digitise their services and create new digital business. Corporate customers expect not only high-quality networks from the telecommunication service provider, but also fast and timely deliveries, seamless customer service and uninterrupted services. The new way of working is mobile, networked and independent of time and place, which is increasingly reflected in companies' telecommunication services. A growing share of corporate IT infrastructure and software services are located in the cloud, which increases broadband traffic.

As IoT gains ground, the role of good data security, data protection and high operational network reliability gain in importance; unprotected devices and solutions reduce users' confidence in digital services. DNA improves network security continuously, and considers data security critical for its business.

IoT will increase data traffic volumes even further, and DNA's M2M (Machine to Machine) subscription base has grown strongly in recent years.

MARKET SHARES AT THE ENF OF JUNE 2018



Source: Traficom

WE MAKE OUR CUSTOMERS' LIVES SIMPLER AND MORE STRAIGHTFORWARD

DNA's vision and main objective remain unchanged: we want to have the most satisfied customers. DNA's key pillars support the creation of an excellent customer experience: high-quality mobile and fixed networks, motivated and customer-oriented personnel, advanced data analytics, as well as culture as a challenger, which is reflected in cost-effectiveness and agility. DNA succeeded again in implementing its strategy in 2018: customer satisfaction developed favourably, net sales and profitability were at the highest level in the history of DNA, as was personnel satisfaction.

In today's world, new technologies are making everyday lives more straightforward, often without users even noticing. At DNA, we are experts in straightforward solutions and the use of smart and innovative technologies. Our mission is to provide products and services that make our customers' lives easier. Technology is just a tool. Expertise, passion and the ability to harness technology to help and entertain – this is what we are all about at DNA.

DNA's strategic objectives:

1. DNA aims to be one of the best workplaces in Finland.

Satisfied, motivated and qualified employees are a crucial foundation for DNA's ability to provide the best customer service on the market. DNA participates in the annual Great Place to Work (GPTW) survey to measure personnel satisfaction and well-being. DNA is steering its management culture towards leadership by coaching.

2. The most satisfied consumer and corporate customers.

DNA wants to achieve a significantly higher level of customer satisfaction than its competitors. Customer satisfaction is measured by means including the Net Promoter Score (NPS) and subscription turnover rate (CHURN). The methods with which DNA measures customer satisfaction are continuously developed.

3. Industry-leading financial development and faster than average market growth.

DNA believes that satisfied customers want to concentrate their shopping to DNA and will also recommend DNA to new customers. High level of customer satisfaction, effective sales operations and high-quality omnichannel customer service differentiate DNA from competitors, leading to better financial development and higher shareholder value. DNA's success in these areas is measured by the development of net sales and operative free cash flow.

DNA's strategy is based on the following key skills and resources:

WE GAIN COMPETITIVE ADVANTAGE THROUGH AGILITY.

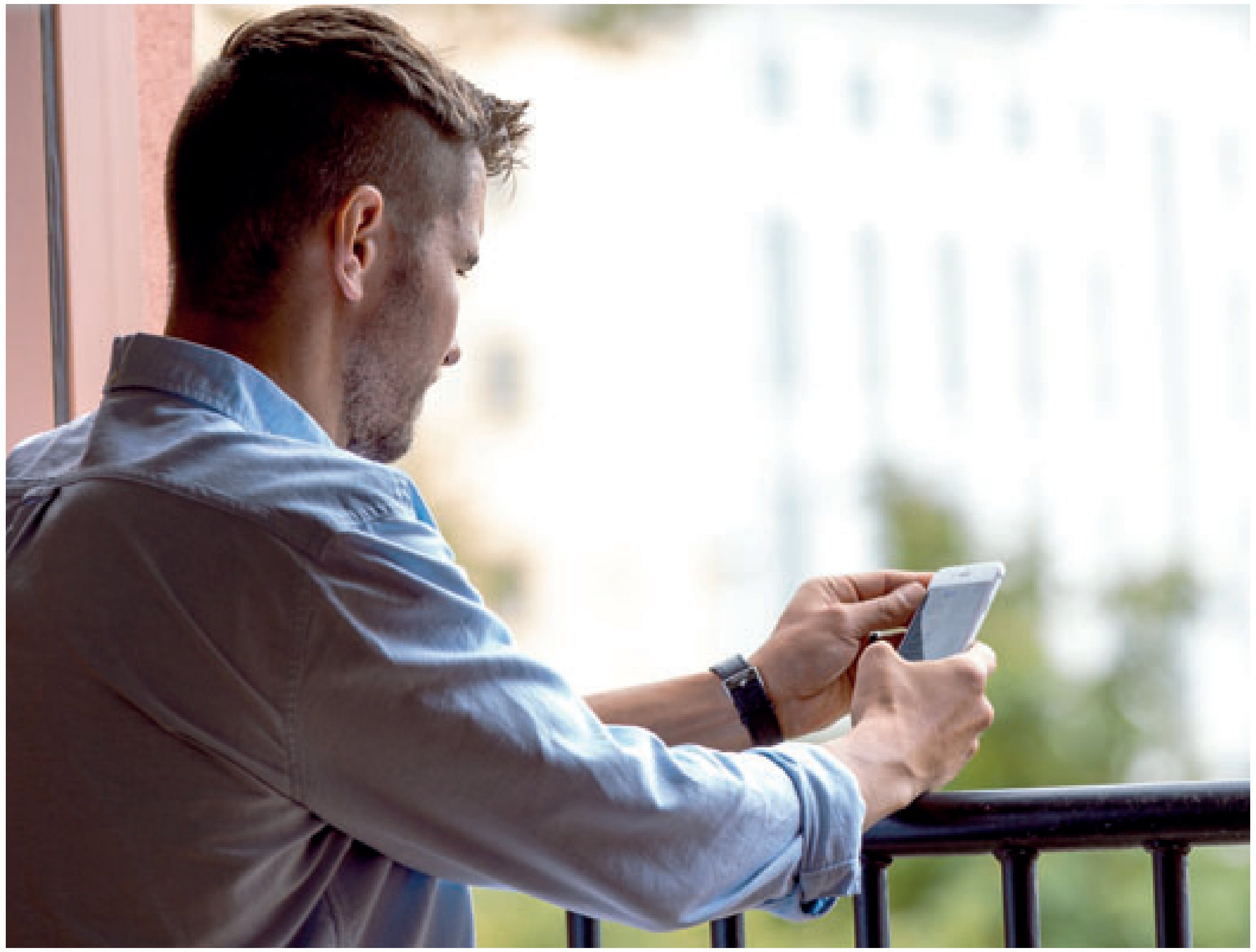
DNA entered the market as a challenger. Throughout its history, DNA has operated with smaller resources, flatter organisational structure and stricter priority-setting than its competitors. DNA operates according to its values: it is fast, straightforward and bold. In a quickly evolving operating environment, agility is increasingly important.

MOTIVATED AND CUSTOMER-ORIENTED EMPLOYEES AND PARTNERS ENABLE DNA TO SUCCEED.

Personnel satisfaction is a foundation for DNA's ability to deliver the best customer experience on the market. DNA's objective is to have a dedicated and qualified employee in every role. DNA participates in the annual Great Place to Work survey to track the company's development as an employer.

PERSONALISED OMNICHANNEL CUSTOMER EXPERIENCE IS A KEY PRIORITY.

DNA wants to be more customer-oriented in its operations to make customers' lives simpler and more straightforward by providing products and services that are clear and easy to use. When problems occur, DNA's personalised omnichannel customer service



provides excellent customer care that is easy and effortless. Customer service is available through various channels. The DNA Store network has more than 60 stores with more than 50,000 service transactions every month. DNA employs more than 500 customer service advisors who provide customer care by phone and chat. Customer service is also available through online channels: DNA's website, online store and self-service channels as well as social media.

DNA WANTS TO PIONEER THE UTILISATION OF CUSTOMER INSIGHT, CUSTOMER DATA AND MACHINE LEARNING IN FINLAND.

Data and artificial intelligence (AI) support the personalised customer care provided by DNA's customer service advisors. DNA uses available customer data to provide excellent customer service. With more efficient use of customer, network and other data as well as analytics and machine learning, DNA can improve customer service further. Customer insight and data also help the up-selling and cross-selling of services to customers.

HIGH-QUALITY NETWORKS ARE THE CORNERSTONE OF DNA'S BUSINESS.

DNA has a comprehensive, high-quality mobile network and Finland's most comprehensive fibre-optic cable network that enables Gigabit-class speeds. There are approximately 900,000 households in the service area of DNA's cable network. DNA's 4G network reaches 99.7% of the population in mainland Finland. Preparation for the deployment of 5G began in 2016. Good base station density, modern network technologies and good radio frequency situation allow DNA to maintain high service levels. The shared network constructed in Eastern and Northern Finland enables DNA to provide high-quality mobile communication services and develop them further with a very good geographical coverage.

You can read more about DNA's strategy implementation from our Annual Report at: http://annualreport.dna.fi/en.

Key pillars of DNA's customer promise:

- To consumer customers: the most straightforward and easy-to-use products, proactive customer care and personalised omnichannel customer experience
- To corporate customers: clear product portfolio, fast and timely deliveries, high-quality customer service

DNA'S FOOTPRINT ON SOCIETY

As a telecommunications operator, DNA plays a significant role in society by providing important communications connections and maintaining infrastructure that is critical to the operation of the society. In addition to financial value, the footprint left by the company is social and environmental. DNA's value creation is illustrated in greater detail in the figure below.

DNA Value Creation

What We Build On

A Team of Top Professionals
- Motivated employees all over Finland
- Committed partners

Fast High-Quality Connections
- Excellent mobile and fixed network
- Modern high-quality TV networks
- Service platforms, cloud services and data centre services

Intangible Assets
- Good reputation and strong brand
- Trust of customers
- Sustainable operations

Financial Resources
- Nation-wide store network
- Own mobile network and fixed network
- Mobile network licences
- Strong financial position and investment capacity

The DNA Way

Offering
Products and services develop with the customers' needs

Know-how
Skilled workforce enables high-quality customer experience

Understanding
Understanding the changing service needs of customers
Understanding of customer behaviour based on data and analytics

Our Values
Fast, bold, straightforward

Our Vision
The most satisfied customers in the market

What We Produce

Private Customers
- Voice and data services in mobile networks
- Voice and broadband services in fixed networks
- Entertainment and television services
- Device sales

Corporate Customers
- Mobile and communications solutions
- Corporate network solutions
- Corporate data security services
- Value added services for corporate networks
- Device sales
- Wholesale and virtual operator services

The DNA Footprint

Societal
- Building and developing the infrasturcture necessary for the society: *4G networks cover almost 100% of the population, over 4 million mobile and fixed network subscriptions*
- Digital connections and devices for consumers' everyday life
- Improving the competitiveness of corporate customers

Social
- Direct and indirect employment: *About 1,600 own employees*
- High employee satisfaction: DNA was ranked *first as the best place to work in Finland in large companies category (Great Place to Work® survey)*
- Family-friendly workplace
- Development of employees' skills
- Excellent customer experience

Economic
- Profitability: *Operating result EUR 139 million*
- Investments: *EUR 138 million*
- Earning per share: *Dividend payout ratio about 80–100% of the net profit for the period*
- Salaries and benefits: *EUR 107 million*
- Taxes and tax-like payments: *EUR 175 million*
- Purchases from suppliers: *EUR 523 million*

Environmental
- Direct and indirect CO_2 emissions: *220,000 tCO_2 (Scope 1, 2 and 3)*
- Development of the network's energy efficiency
- Reducing customers' CO_2 emissions with DNA solutions
- Recycling of terminal equipment at DNA Stores

TAXES AND ECONOMIC IMPACT

As a telecommunications operator, DNA plays an important role in society by providing important communication connections and maintaining infrastructure that is critical to the operation of the society. DNA pays all its taxes in Finland.

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.

Domestic investments and employment

DNA's economic responsibility includes meeting the expectations of customers and shareholders in a sustainable manner, supporting the economic welfare of the company's employees and society through direct and indirect employment. Tax payments, investments and development of new products and services are also part of DNA's economic responsibility.

DNA's investments in 2018 were EUR 139.1 million (EUR 144.0 million). Major items include investments in 4G network capacity expansion and development, 5G readiness as well as fibre optic networks and transmission systems.

At the end of 2018, DNA employed 1,590 people.

DNA is an important regional employer with operations in 12 locations. DNA Store operates in 40 locations. Furthermore, the company traditionally employs young people in DNA Stores in particular. At the end of 2018, those under 25 accounted for approximately 40% of store personnel.

DNA's tax footprint

In 2018, the taxes and tax-like fees paid by DNA in Finland amounted to EUR 175 million (EUR 176 million). DNA pays all its taxes in Finland. By doing so, DNA contributes to the development of the Finnish society as a whole.

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

ECONOMIC VALUE FOR STAKEHOLDERS, EUR MILLION

Generation of added value		**2018****	2017	2016	2015	2014
From the customers	Net sales	911.8	886.1	858.9	828.8	831.5
Total generated added value		911.8	886.1	858.9	828.8	831.5
Distribution of added value						
Goods and service suppliers	Materials and services as well as other operating expenses	523.3	507.4	513.5	498.5	530.1
Personnel	Wages and salaries as well as pension expenses	104.2	107.7	107.0	102.3	96.4
Public sector	Income tax, value added tax, personnel expenses as well as payments to the Finnish Communications Regulatory Authority	126.4	123.8	110.6	90.0	77.1
Financial sector	Financial items	11.2	9.4	9.6	11.5	10.5
Shareholders	Dividends*	145.4	145.2	72.8	40.1	30.0
Total distributed added value		**910.4**	**893.5**	**813.5**	**742.4**	**744.1**

* DNA's Board of Directors has proposed to the Annual General Meeting that a dividend and an additional dividend totalling EUR 1.10 (1.10) per share be paid for the financial year 2018, EUR 145,400,402.40 (145,242,551) in total calculated with the number of shares at the Annual General Meeting day.
** Year 2018 is reported according to IFRS15.

Traficom (previously Finnish Communications Regulatory Authority FICORA) is a public sector operator to which DNA pays tax-like fees, which were EUR 12 million in 2018 (EUR 14 million). These fees include, for example, spectrum licences, the information society fee and communications network numbering fees.

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

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

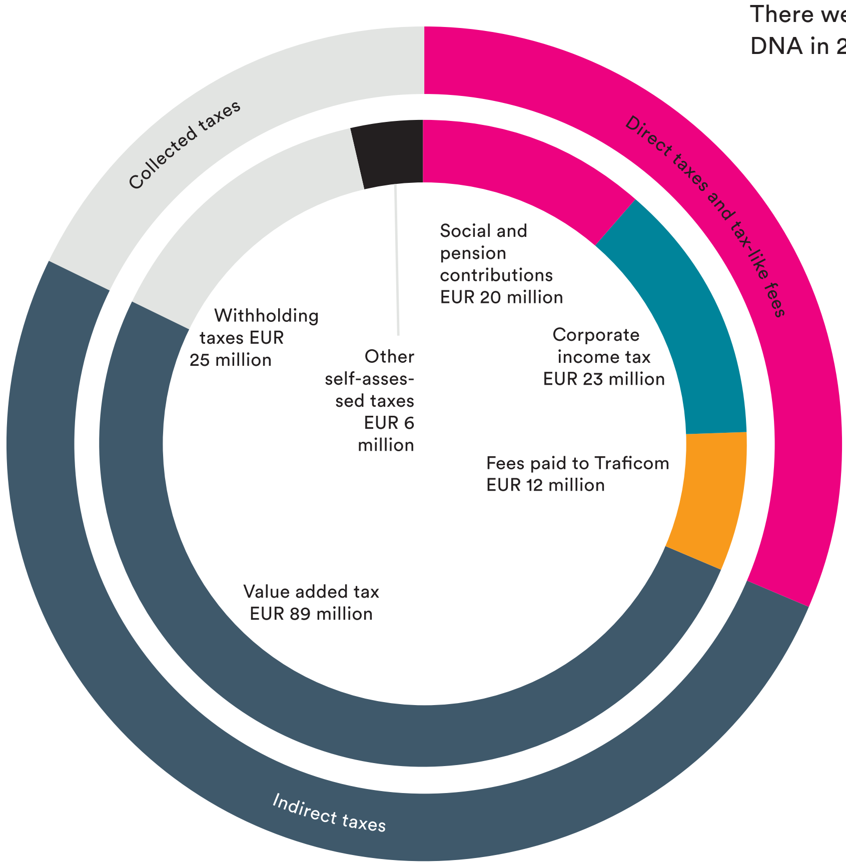
Anti-corruption and anti-bribery

DNA has zero-tolerance of corruption and bribery: DNA's Code of Conduct bans any corruption. Every DNA employee is required to attend DNA's Code of Conduct training, which was implemented in the beginning of 2017. By the end of 2018, 84% of DNA personnel had completed the training. In addition, DNA's Sustainability Manager and Fraud Manager train DNA personnel on DNA Group's anti-corruption policies and procedures as required.

DNA has separate guidelines for the giving and receiving of business gifts.

The company does not have a separate risk assessment process for corruption. Any corruption risk is assessed as part of the Group's risk management process.

There were no incidents of corruption or bribery at DNA in 2018.



DNA'S TAX FOOTPRINT

DNA'S TAX FOOTPRINT	2018, EUR million
Direct taxes and tax-like fees	
Social and pension contributions	20
Corporate income tax	23
Fees paid to Traficom	12
Indirect taxes	
Value added tax	89
Collected taxes	
Withholding taxes	25
Other self-assessed taxes	6
Total	175

OUTLOOK FOR 2019

Market outlook

While Finland's economic growth is expected to slow down, the Bank of Finland forecasts GDP growth to remain moderate. We expect the mobile network service market growth to moderate and competition to remain intense for mobile communication services.

Mobile data use will continue to grow as private and business users increase their use of digital services and OTT video services. This trend will increase the demand of high-speed 4G subscriptions as well as the use of mobile data usage per subscription. Customers are prepared to pay more for faster data connections. The share of 4G subscriptions in DNA's mobile subscription base is expected to grow over the coming years.

Use of mobile devices that have a constant network connection and IP-based communication solutions is increasing strongly among both business and private users.

In the mobile communication network, the volume of SMS and voice traffic is expected to continue to fall. The decline of the market for fixed-network voice services is expected to continue.

In the consumer market, demand for fast broadband subscriptions and entertainment services is expected to increase, driven in particular by the popularity of streaming and on-demand video services. The demand for traditional pay TV services is expected to decline further.

Fixed-network broadband customers are expected to continue to switch to housing association broadband subscriptions and faster speeds. The fixed-network broadband subscription base is expected to remain at its current level. Growing use of services such as cloud and entertainment services increases the demand for high-speed and high-performance networks.

Private and public sector organisations are digitising their services and creating new digital business, which makes the availability of networks and services vital. More mobile and versatile ways of working will boost demand for services such as cloud and video conference services. Companies transfer their applications to the cloud to increase their operational efficiency, which will boost the demand for secure high-speed connections.

The demand for Industrial Internet solutions and M2M (Machine to Machine) subscriptions is expected to grow. As the IoT becomes more common, the role of good information security, data security and high operational network reliability gain in importance.

DNA sees fixed wireless broadband access as the first application to strongly benefit from 5G technology. This makes high-quality connections possible for buildings without ready access to a fibre optic connection or where acquiring a fibre optic connection would be prohibitively expensive. In the 2020s, 5G technology is likely to have a broad range of other applications in areas such as smart traffic and health care.

DNA's guidance for 2019

DNA's net sales in 2019 is expected to remain at the same level as in 2018, and EBITDA in 2019 is expected to increase substantially from 2018. DNA's financial position and liquidity are expected to remain at a healthy level.

DNA's guidance for 2019 is disclosed with consideration to the impact of the adoption of IFRS 16. The adoption of IFRS 16 from the beginning of 2019 is estimated to have a positive impact of approximately UR 17 million in EBITDA in 2019. The impact of IFRS 16 on operating result (EBIT) is insignificant.

DNA's guidance on future outlook

DNA issues guidance on its net sales and EBITDA. Their development is assessed by means of verbal description in comparison to the reference period. The guidance on the financial outlook is based on the full-year forecast, which takes into account the prevailing business and market situation. Statements and estimates provided are based on the management's view of the development of the Group and its business operations.

DNA'S FINANCIAL OBJECTIVES AND DIVIDEND POLICY

DNA has updated its medium-term financial goals with respect to EBITDA margin and profit distribution policy in February 2019. In setting the EBITDA target, account has been taken of the IFRS16 standard, adopted at the beginning of 2019, which is estimated to have a positive effect of approximately EUR 17 million on EBITDA in 2019. The impact of IFRS 16 on operating result (EBIT) is insignificant.

DNA's medium-term financial goals are:

- net sales growth faster than average market growth
- EBITDA margin at least 34% (earlier goal: at least 32%).
- operative capital expenditure less than 15% of net sales (excluding capitalized spectrum licence payements)
- net debt/EBITDA ratio of less than 2.0, which may temporarily be exceeded if DNA finds attractive opportunities that allow the company to complement its offering in existing markets.

DNA's profit distribution policy: DNA's goal is to pay a growing dividend to its shareholders or by other means to return capital equalling 80-100 percent of the net profit for the period. In addition, the Board of Directors may consider the distribution of excess profit to shareholders for a specific financial period. When making the profit distribution decision, the Board of Directors will take into account the company's financial status and financial position as well as future funding needs and financial goals.

INFORMATION FOR SHAREHOLDERS

ANNUAL GENERAL MEETING

DNA Plc's Annual General Meeting will be held on Thursday 28 March 2019 at 1 pm in the Veranda hall of the Finlandia Hall, Mannerheimintie 13 e, Helsinki. The reception of registered participants will commence at 12 noon. The Notice of DNA Plc's Annual General Meeting, instructions for the participants and the registration link can be found at the DNA website: www.dna.fi/agm.

Dividend payment

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.70 per share be distributed for the financial period ending 31 December 2018. The Board also proposes that an extra capital payment of EUR 0.40 per share be distributed. In total, the Board proposes that EUR 1.10 per share be distributed.

According to the proposal, the dividend will be paid to shareholders registered in the company's shareholder register held by Euroclear Finland Ltd on the dividend record date of 1 April 2019.

Important dates related to the AGM

18 March 2019	Record date of the AGM
25 March 2019	10am Registration period ends
28 March 2019	Annual General Meeting
23 March 2019	Proposed ex-dividend date
1 April 2019	Proposed record date for dividend payment
10 April 2019	Proposed dividend payment date

DNA's share

Trading in the DNA share began on the Large Cap stock exchange list of Nasdaq Helsinki on 2 December 2016. The trading code of the DNA share is "DNA". DNA shares are included in the book-entry system maintained by Euroclear Finland Ltd. Euroclear Finland also maintains DNA's shareholder register.

At the end of 2018, DNA's registered shares totalled 132,303,500 and the share capital registered in the Finnish Trade Register amounted to EUR 72,702,225.65. At the end of 2018, the Group held 182,789 treasury shares.

In 2018, a total of 62,379 million DNA shares, totalling EUR 1.135 billion, were traded on the Nasdaq Helsinki Stock Exchange. The highest quotation was EUR 22.02 and the lowest EUR 14.80. The average rate was EUR 18.19 and volume-weighted average rate EUR 18.20. The closing quotation on the last trading day of the review period, 28 December 2018, was EUR 17.08 and the market capitalisation (without DNA's treasury shares) was EUR 2.257 billion.

DNA's share was added to the OMX Helsinki 25 index, (Nasdaq Helsinki: OMXH25) on 1 August, 2018. The OMX Helsinki 25 Index is the leading equity index for the Finnish equity market including the 25 most traded Blue chip companies on Nasdaq Helsinki.

Financial publications in 2019

1 February 2019	Financial Statements Bulletin 2018
1 March 2019	Electronic Annual Report 2018, including the complete financial statements, corporate governance statement, salary and remuneration report and corporate responsibility report for 2018
25 April 2019	Interim Report January-March 2019
19 July 2019	Half Year Financial Report (January-June 2019)
22 October 2019	Interim Report January-September 2019

DNA's investor relations and way of working

The objective of DNA's investor relations and financial communications is to ensure that the market price formation of DNA's financial instruments is founded on equal, fair, sufficient and simultaneous information about the company and its business operations, and that the market is provided with accurate and sufficient information about the company's operations without undue delay. DNA's investor relations strives to provide good service and to meet actively with capital market representatives.

DNA issues guidelines on its financial outlook for net sales and EBITDA for the entire financial period. Their development is compared with a reference period and evaluated in writing. DNA issues its guidelines, including justifications, on general and financial outlook in connection with newsletters on financial statements and updates the outlook as needed. The guidelines on financial outlook are based on the company's full-year forecast, which takes account of the prevailing business and market situation.

DNA publishes essential and significant matters and events simultaneously to all stakeholders by issuing a stock exchange release. DNA publishes investor news on events relating to the Group's operations that do not meet the criteria set for stock exchange releases but that are estimated to be newsworthy or to be of general interest to the capital markets. Other news are published as press releases. Stock exchange releases, investor news and press releases are made available on the DNA website as soon as they are published.

DNA is active in a number of social media channels, including Twitter, Facebook, LinkedIn and YouTube. Social media is never the company's primary communication channel for publishing information under the disclosure obligation or other new information. Instead, its role is to support other channels and forward information published in official channels.

DNA meets actively with capital market and media representatives and strives to engage in active dialogue with investors, analysts and the media. The company's investor relations department is responsible for the centralised coordination of communication with investors and analysts. The objective of the meetings is to provide useful information on DNA's financial position, business operations and operating environment. The discussions are based on information published previously by DNA or available readily on the market.

The company holds news conferences in Finnish and English in conjunction with the release of half-year and interim reports and financial statements bulletins. In the conferences, the CEO and CFO review the central content of the performance report and answer questions from the audience. If needed, DNA organises a Capital Market Day to provide background information and familiarise analysts and investors with the company's operations.

In order for all DNA stakeholders to receive information equally and simultaneously, the company publishes the materials used in meetings with investors and analysts as well as presentation materials and webcasts from the beforementioned events on its website.

DNA's silent period begins three weeks before the publication of an interim report or a financial statements bulletin. During the silent period, DNA's representatives will not meet with investors or analysts or issue statements on the company's financial status, markets or future. At other times, DNA answers questions from analysts and investors by phone, email or during investor meetings.

DNA's Board of Directors has approved the disclosure policy. It describes the company's key principles and procedures for issuing stock exchange releases and other important news. The disclosure policy is in place to ensure reliable and consistent communications. The disclosure policy is available at: https://corporate.dna.fi/investor-relations#tiedonantopolitiikka

DNA's IR contacts:

Marja Mäkinen, Head of Investor Relations,
email: marja.makinen@dna.fi, phone: +358 44 044 1262
www.dna.fi/investors

DNA'S CLIMATE OBJECTIVES UPDATED

DNA has signed the Society's Commitment to Sustainable Development, in which the company undertakes to reduce the climate impacts of its operations.

DNA has calculated its greenhouse gas emissions for several years to identify the direct effect of DNA's operations on climate change. 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.

DNA identified the need to update its climate objectives during 2018 because it reached one main objective towards the end of 2017 (radio network emissions in proportion to annual radio network data transfer volumes) and more detailed data was required to reach the other objective (Scope 3 – emission data relative to total emissions). As a result, DNA's primary objective in terms of total emissions is to adjust the calculation method of Scope 3 emissions.

In 2018, DNA updated its climate objectives as follows:

- DNA will reduce energy indirect greenhouse gas emissions (Scope 2) by 100% by 2023 from the level reported in 2014.
- The emission calculation methods for DNA's main product categories will be adjusted during 2019 and DNA will set a Scope 3 climate objective accordingly.

In 2018, DNA's energy indirect greenhouse gas emissions (Scope 2) were 17,900 tonnes (19,600), which is 9% less than in 2017. DNA's Scope 2 emissions have reduced by some 40% since 2014, due to procurement of renewable energy and increased energy efficiency in the radio network.

DNA's climate team, which comprises experts from different parts of the organisation, plans emission reductions and possible reduction methods. The climate team reports on the completion of climate objectives and measures to the Executive Team and the Board of Directors' Audit Committee twice a year.

As part of the Group's risk management process, DNA has identified possible risks and opportunities related to climate change in terms of the impact of physical or political events and changes in consumer behaviour, and has specified control practices for them.

DNA's directly procured energy is renewable

DNA's directly procured energy is hydro or wind power and comes with a Guarantee of Origin.

Renewable hydro power is a green choice in Finland, but it has its challenges. For example, hydroelectric plants can prevent the movement of migratory fish in rivers. Fish passages and ladders are constructed in Finland according to Finland's National Fish Passage Strategy to enhance the viability of migratory fish stocks. In addition, hydro power companies compensate the environmental effects of their plants by environmental measures such as stocking fish.

DNA is monitoring the situation and regularly assesses the origin of purchased electricity.

Continuous improvement of the network and equipment facilities

DNA deployed new, more energy-efficient radio network technology already in 2016. New advancements in radio technology in 2018 allow one radio unit to connect to several radio bands.

Software-based energy-saving functions were implemented in DNA's network during the summer of 2018 as planned.

New solutions that use ambient air to cool the equipment were implemented in DNA's equipment facilities in 2018 to reduce energy consumption. DNA plans to expand these solutions further in 2019. The solution uses cool outdoor air, transferred by fans.

Automation of equipment facility cooling and ventilation was again increased, which provides energy savings and prolongs the useful life of cooling equipment. This work will also continue in 2019.

Equipment facility ventilation systems were also upgraded as planned in 2018.

DNA's products and services help reduce emissions

In 2018, DNA examined how customers could reduce their emissions by using DNA's services. The study focused on the recycling of consumer customers' old mobile devices and corporate customers' use of virtual servers.

Based on the results, it can be estimated that the recycling of mobile devices through DNA reduce emissions by up to 1,000 tonnes (CO_2e) per year. This equals driving almost 5.5 million kilometres using a petrol car with average fuel consumption.

In the case of virtual servers, a conservative estimate is that the use of virtual servers is at least five times more effective than maintaining physical servers at customer premises. The estimate includes emissions from the materials required to manufacture the servers as well as electricity consumption.

More energy-efficient facilities and working methods

DNA has placed special emphasis on the modernisation of its facilities in recent years. The energy efficiency of DNA's facilities has been a special focus area as the company has modernised old buildings or moved to new facilities.

DNA's Headquarters, the DNA House, was constructed by YIT according to its Energy Genius concept. The energy-efficiency of the building was carefully considered already in the design and construction phase. DNA's headquarters have earned an international LEED Gold certification as a recognition of the building's ecological energy and water consumption, materials used and emissions.

FINANCIAL REVIEW

GROUP KEY FINANCIAL FIGURES

EUR million	2018 Reported	2018 Adjusted	2017	2016	2015	2014
Net sales	911.8	913.5	886.1	858.9	828.8	831.5
EBITDA	284.9	283.6	271.8	236.3	227.7	202.2
% of net sales	31.2	31.0	30.7	27.5	27.5	24.3
Comparable EBITDA	284.9	283.6	271.8	247.1	226.7	211.0
% of net sales	31.2	31.0	30.7	28.8	27.3	25.4
Depreciation, amortisation and impairment	146.0	149.9	148.2	145.0	154.6	176.6
Operating result, EBIT	138.9	133.8	123.5	91.2	73.1	25.6
% of net sales	15.2	14.6	13.9	10.6	8.8	3.1
Comparable operating result, EBIT	138.9	133.8	126.6	102.1	72.0	55.7
% of net sales	15.2	14.6	14.3	11.9	8.7	6.7
Net result before tax	127.7	122.6	114.2	81.7	61.6	15.2
Net result for the period	102.2	98.1	93.1	65.2	50.0	12.4
Return on investment (ROI), %	14.1	14.2	13.1	9.6	7.6	2.8
Return on equity (ROE), %	16.4	16.9	15.5	11.6	9.7	2.4
Capital expenditure	138.3	139.1	144.0	143.6	154.7	149.6
Cash flow after investing activities	63.4	63.4	107.7	83.5	97.3	-123.7
Free cash flow to equity	72.0	72.0	118.8	92.6	101.5	48.7
Net debt, EUR million	379.3	379.3	304.3	321.7	412.3	479.4
Net debt/EBITDA	1.33	1.34	1.12	1.36	1.81	2.37
Net gearing, %	62.7	67.8	50.3	53.9	78.5	95.1
Equity ratio, %	46.9	45.6	50.6	48.4	44.1	41.4
Personnel at the end of period	1,590	1,590	1,601	1,668	1,672	1,748

CONSOLIDATED INCOME STATEMENT

EUR in thousands	Note	1 Jan–31 Dec 2018	1 Jan–31 Dec 2017
Net sales	5	**911,758**	**886,088**
Other operating income	6	3,804	4,177
Materials and services		−398,661	−389,194
Employee benefit expenses	9	−107,388	−111,055
Depreciation, amortisation and impairments	8	−146,023	−148,249
Other operating expenses	7	−124,592	−118,244
Operating result, EBIT		**138,898**	**123,523**
Finance income	10	523	889
Finance expense	11	−11,700	−10,257
Share of associates' results	16	14	4
Net result before income tax		**127,736**	**114,158**
Income tax expense	12	−25,502	−21,072
Net result for the period		**102,234**	**93,086**
Attributable to:			
Owners of the parent		102,234	93,086
Earnings per share for net result attributable to owners of the parent:			
Earnings per share, basic (EUR)	13	0.77	0.71
Earnings per share, diluted (EUR)	13	0.77	0.71

Notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR in thousands	Note	1 Jan–31 Dec 2018	1 Jan–31 Dec 2017
Net result for the period		102,234	93,086
Items that will not be reclassified to profit and loss:			
Remeasurements of post employment benefit obligations	24	249	71
Other comprehensive income, net of tax		**249**	**71**
Total comprehensive income		**102,483**	**93,157**
Attributable to:			
Owners of the parent		102,483	93,157

Notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR in thousands	Note	1 Jan–31 Dec 2018	1 Jan–31 Dec 2017
Assets			
Non-current assets			
Goodwill	15	327,206	327,206
Other intangible assets	15	191,783	178,070
Property, plant and equipment	14	412,550	421,580
Investments in associates	16	1,209	1,199
Other investments	17	117	117
Trade and other receivables	18	76,026	38,468
Deferred tax assets	19	7,691	8,475
Total non-current assets		**1,016,582**	**975,115**
Current assets			
Inventories	20	31,681	22,909
Trade and other receivables	18	244,624	195,563
Income tax receivables		-	9,780
Cash and cash equivalents	21	22,654	23,592
Total current assets		**298,960**	**251,843**
Total assets		**1,315,541**	**1,226,958**
Equity			
Equity attributable to owners of the parent			
Share capital	22	72,702	72,702
Reserve for invested unrestricted equity	22	506,079	653,056
Treasury shares	22	−2,806	−4,055
Retained earnings		−73,439	−210,425
Net result for the period		102,234	93,086
Total equity		**604,770**	**604,363**

EUR in thousands	Note	1 Jan–31 Dec 2018	1 Jan–31 Dec 2017
Liabilities			
Non-current liabilities			
Borrowings	26, 27, 29	348,090	173,362
Employment benefit obligations	24	1,714	2,028
Provisions	25	5,307	6,813
Deferred tax liabilities	19	34,825	22,783
Other non-current liabilities		34,978	23,605
Total non-current liabilities		**424,914**	**228,591**
Current liabilities			
Borrowings	26, 27, 29	53,837	154,518
Provisions	25	277	490
Trade and other payables	28	226,687	234,603
Income tax liabilities		5,056	4,391
Total current liabilities		**285,857**	**394,003**
Total liabilities		**710,771**	**622,594**
Total equity and liabilities		**1,315,541**	**1,226,958**

Notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR in thousands	1 Jan–31 Dec 2018	1 Jan–31 Dec 2017
Cash flows from operating activities		
Net result for the period	102,234	93,086
Adjustments 1)	180,330	173,780
Change in net working capital 2)	–45,100	15,266
Dividends received	10	8
Interest paid	–6,438	–7,901
Interest received	335	373
Other financial items	–10,839	–1,193
Income taxes paid	–12,428	–25,775
Net cash generated from operating activities	**208,104**	**247,646**
Cash flows from investing activities		
Investments in property, plant and equipment (PPE) and intangible assets	–145,058	–139,974
Proceeds from sale of PPE	402	75
Other investments	-	–52
Net cash used in investing activities	**–144,657**	**–139,951**
Cash flows from financing activities		
Direct costs relating to share issue	-	–3,314
Treasury share acquisition	-	–14,035
Dividend payment	–145,333	–72,767
Proceeds from borrowings	859,880	99,893
Repayment of borrowings	–778,932	–140,119
Net cash generated from (used in) financing activities	**–64,385**	**–130,342**

EUR in thousands	1 Jan–31 Dec 2018	1 Jan–31 Dec 2017
Change in cash and cash equivalents	–937	–22,647
Cash and cash equivalents at beginning of year	23,592	46,238
Cash and cash equivalents at end of year	22,654	23,592
1) Adjustments:		
Depreciation, amortisation and impairment	146,023	148,249
Gains and losses on disposals of non-current assets	–324	–50
Other non-cash income and expense	–14	–4
Finance income and expense	11,177	9,368
Income tax expense	25,502	21,072
Change in provisions	–2,034	–4,856
Total adjustment	**180,330**	**173,780**
2) Change in net working capital:		
Change in trade and other receivables	–27,678	–9,588
Change in inventories	–8,772	–1,183
Change in trade and other payables	–8,649	26,037
Change in net working capital	**–45,100**	**15,266**

Notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR in thousands	Note	Share capital	Reserve for invested unrestricted equity	Treasury shares	Retained earnings	Total equity
1 January 2017		**72,702**	**652,719**	**-**	**–128,995**	**596,427**
Comprehensive income						
Net result for the period					93,086	93,086
Other comprehensive income						
Total other comprehensive income, net of tax	24				71	71
Total comprehensive income		**-**	**-**	**-**	**93,157**	**93,157**
Transactions with owners						
Expenses paid in connection with share issue net of tax			337			337
Treasury share acquisition				–14,035		–14,035
Share-based payments	23			9,980	–8,735	1,245
Dividends relating to 2016	22				–72,767	–72,767
Total contribution by and distributions to owners		**-**	**337**	**–4,055**	**–81,502**	**–85,221**
31 December 2017		**72,702**	**653,056**	**–4,055**	**–117,340**	**604,363**

EUR in thousands	Note	Share capital	Reserve for invested unrestricted equity	Treasury shares	Retained earnings	Total equity
1 January 2018		**72,702**	**653,056**	**–4,055**	**–117,340**	**604,363**
Changes in accounting policy - IFRS 9					–759	–759
Changes in accounting policy - IFRS 15					41,281	41,281
Changes in accounting policy - IFRS 2					1,199	1,199
Comprehensive income						
Net result for the period					**102,234**	**102,234**
Other comprehensive income						
Total other comprehensive income, net of tax	24				249	249
Total comprehensive income		**-**	**-**	**-**	**102,483**	**102,483**
Transactions with owners						
Reclassification			–62,420		62,420	-
Share-based payments	23			1,250	285	1,535
Dividends relating to 2017	22				–60,776	–60,776
Capital payment	22		–84,557			–84,557
Total contribution by and distributions to owners		**-**	**–146,977**	**1,250**	**1,930**	**–143,798**
31 December 2018		**72,702**	**506,079**	**–2,806**	**28,794**	**604,770**

Notes are an integral part of the consolidated financial statements.

PARENT COMPANY INCOME STATEMENT, FAS

EUR in thousands	Note	1 Jan - 31 Dec 2018	1 Jan - 31 Dec 2017
NET SALES	1	**783,508**	**749,744**
Other operating income		**9,194**	**9,874**
Materials and services			
Purchases		−148,608	−126,762
Change in inventory		8,735	1,254
External services		−208,252	−210,980
Total materials and services		**−348,125**	**−336,488**
Employee expenses			
Salaries and commissions		−77,417	−82,736
Social expenses			
Pensions		−13,808	−13,056
Other social expenses		−2,851	−2,898
Total employee expenses		**−94,075**	**−98,689**
Depreciation and impairments	2		
Depreciation according to plan		−127,955	−125,202
Impairment of intangible assets		-	−3,057
Total depreciation and impairments		−127,955	−128,259
Other operating expenses	3	**−124,842**	**−119,259**
OPERATING RESULT		**97,704**	**76,923**

EUR in thousands	Note	1 Jan - 31 Dec 2018	1 Jan - 31 Dec 2017
Finance income and expense	4		
Income from other investments		20	17
Other interest and financial income		635	758
Impairment		-	−149
Interest and other financial expenses		−11,482	−9,480
Total finance income and expense		**−10,827**	−8,855
RESULT BEFORE APPROPRIATIONS AND TAX		**86,877**	**68,069**
Appropriations	5		
Group contribution		26,236	28,474
Total appropriations		**26,236**	**28,474**
Income tax	6	−23,888	−20,516
RESULT FOR THE FINANCIAL PERIOD		**89,225**	**76,027**

PARENT COMPANY BALANCE SHEET, FAS

EUR in thousands	Note	2018	2017
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	7		
Development costs		-	12
Intangible rights		53,182	63,304
Goodwill		102,522	108,929
Other capitalised expenditure		40,184	32,944
Prepayments and non-current assets under construction		27,918	8,105
Total intangible assets		**223,806**	**213,294**
Property, plant and equipment	7		
Land and water		713	713
Buildings and constructions		18,879	15,663
Machinery and equipment		251,362	240,618
Other tangible assets		873	873
Advances paid and construction in progress		40,070	55,971
Total tangible assets		**311,897**	**313,838**
Investments	8		
Holdings in Group companies		82,653	82,653
Shares in associated companies		3,982	3,982
Other shares and holdings		1,330	1,330
Total investments		87,965	87,965
TOTAL NON-CURRENT ASSETS		**623,668**	**615,097**

EUR in thousands	Note	2018	2017
CURRENT ASSETS			
Inventory			
Materials and supplies		31,500	22,766
Total inventory		**31,500**	**22,766**
Non-current receivables			
Trade receivables		37,396	33,147
Receivables from Group companies	9	21,395	21,395
Other receivables		9,271	3,974
Deferred tax asset	10	4,028	3,772
Total non-current receivables		**72,090**	**62,287**
Current receivables			
Trade receivables		167,723	155,367
Receivables from Group companies	9	62,311	73,612
Other receivables		822	835
Prepaid expenses	11	16,088	12,616
Total current receivables		**246,944**	**242,430**
Cash and cash equivalents		18,434	20,642
TOTAL CURRENT ASSETS		368,967	348,125
TOTAL ASSETS		**992,635**	**963,222**

EUR in thousands	Note	2018	2017
EQUITY AND LIABILITIES			
EQUITY	12		
Share capital		72,702	72,702
Reserve for invested unrestricted equity		-	146,925
Treasury shares		–2,806	–4,055
Retained earnings		67,338	–10,449
Result for the period		89,225	76,027
TOTAL EQUITY		**226,460**	**281,150**
PROVISIONS	13	**5,436**	**5,893**
LIABILITIES			
Non-current liabilities	14		
Borrowings		356,154	173,810
Advances received		253	269
Other non-current liabilities		33,277	19,707
Deferred tax liability	10	1,304	-
Total non-current liabilities		**390,988**	**193,786**
Current liabilities			
Borrowings		53,837	155,234
Advances received		4,764	6,548
Trade payables		94,063	94,684
Liabilities to Group companies	15	140,511	150,255
Other current liabilities		14,050	20,134
Accrued expenses	16	62,525	55,540
Total current liabilities		**369,751**	**482,393**
TOTAL LIABILITIES		**760,739**	**676,179**
TOTAL EQUITY AND LIABILITIES		**992,635**	**963,222**

PARENT COMPANY CASH FLOW STATEMENT, FAS

EUR in thousands	1.1.–31.12.2018	1.1.–31.12.2017
Cash flows from operations		
Result for the period	89,225	76,027
Adjustments [1)]	135,954	125,712
Change in working capital [2)]	–17,474	-18,277
Interest paid	–6,436	-7,894
Interest received	636	758
Other financial items	–10,795	–881
Income taxes paid	–22,208	–23,343
Net cash generated from operating activities	**168,902**	**152,102**
Cash flows from investments		
Investments in property, plant and equipment (PPE) and intangible assets	–126,807	-116,810
Proceeds from sale of PPE	23	8
Other investments	-	–52
Short-term investments increase (-) / decrease (+)	-	2,727
Loans granted	–1,000	-
Proceeds from loans receivables	1,000	4,000
Net cash used in investing activities	**–126,784**	**-110,127**
Cash flows from financing activities		
Treasury share acquisition	-	–14,035
Distribution of dividend	–145,333	–72,767
Proceeds from borrowings	851,463	134,279
Repayment of borrowings	–778,932	–140,119
Group contributions received	28,474	29,475
Net cash generated from (used in) financing activities	**–44,327**	**–63,167**

EUR in thousands	1.1.–31.12.2018	1.1.–31.12.2017
Change in cash and cash equivalents	**–2,209**	**–21,192**
Cash and cash equivalents at beginning of year	**20,642**	**41,834**
Cash and cash equivalents at end of year	**18,434**	**20,642**
1) Adjustments:		
Depreciation, amortisation and impairment	127,955	128,259
Gains and losses on disposals of non-current assets	–23	–8
Other non-cash income and expense	–26,236	–28,474
Finance income and expense	10,827	8,855
Income tax expense	23,888	20,516
Change in provisions	–457	–3,434
Total adjustment	**135,954**	**125,712**
2) Change in net working capital:		
Change in trade and other receivables	–8,869	–32,401
Change in inventories	–8,735	–1,074
Change in trade and other payables	130	15,198
Total change in net working capital	**–17,474**	**-18,277**

AUDITOR'S REPORT

To the Annual General Meeting of DNA Plc

Report on the Audit of the Financial Statements

Opinion

In our opinion

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

Our opinion is consistent with the additional report to the Audit Committee.

What we have audited

We have audited the financial statements of DNA Plc (business identity code 0592509-6) for the year ended 31 December 2018. The financial statements comprise:

- the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies
- the parent company's balance sheet, income statement, statement of cash flows and notes.

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

Independence

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.

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and to the group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 7 to the Financial Statements.

Our Audit Approach

Overview

- Overall group materiality: EUR 6 million, which is determined materiality using net sales and profit before tax as the benchmark.
- Audit scope: We have performed an audit of parent company DNA Plc and its Finnish subsidiaries.

Key audit matters:

- Recognition of revenue in correct amount in the correct period taking into consideration the complexity of information systems used in recording revenue
- Impairment testing

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They 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.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

Overall group materiality	EUR 6 million
How we determined it	We determined materiality using profit before tax as the benchmark.
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the group is most commonly measured by users, and is a generally accepted benchmark. Materiality of EUR 6 million is 4,7% of profit before tax which is within the range of acceptable quantitative materiality thresholds in auditing standards.

How we tailored our group audit scope

We tailored the scope of our audit, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates. DNA Plc mainly operates in Finland where it has two subsidiaries significant to the group.

We determined the type of work that needed to be performed at group companies by the group engagement team. Audits were performed in Group companies that are considered significant either because of their individual financial significance or due to their specific nature, covering the vast majority of revenue, assets and liabilities of the Group. We performed selected specified procedures as well as analytical procedures to cover the remaining companies.

By performing the procedures above at reporting components, combined with additional procedures at the Group level, we have obtained sufficient and appropriate evidence regarding the financial information of the Group as a whole to provide a basis for our opinion on the consolidated financial statements.

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.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matter in the audit of the group	How our audit addressed the key audit matter
Recognition of revenue in correct amount in the correct period taking into consideration the complexity of information systems used in recording revenue See note 5 Net Sales to the consolidated financial statements. The net sales of the group for the period 1 January to 31 December 2018 was EUR 911.8 (886.1) million. Our audit focused on revenue recognition since the various sales processes of the Group are system dependent and the Group uses several different invoicing systems. We identified and evaluated the following risks that might lead to the net sales not being presented correctly in the financial statements: ■ The system dependency and material quantity of sales transactions require the company to have sufficient and functional controls to ensure correctness of net sales. Lack of controls might lead to undetected systematic errors. ■ The sales processes' system dependency and material quantity of sales transactions require the company to have sufficient and functional controls to ensure that sales revenue is recognised and recorded as sales in the correct financial period. Revenue recognition is a key audit matter in the audit due to recorded revenue being dependent on information produced by complex invoicing systems.	We have reviewed the various sales processes of the Group and mapped the related controls, through which the Group management aims to ensure that all transactions are recorded in correct amount in the correct period in the company accounts. As part of our audit: ■ We tested the functionality of the identified controls and evaluated their sufficiency in identifying and/or preventing material misstatement. ■ Inspected through sampling the correctness of invoicing in various billing systems by comparing the invoiced amounts to contracts made by clients and/or price lists. ■ In addition, we have audited the most material accruals of revenue made in the financial statements through testing the functionality of the key periodisation reports and performing both analytic auditing procedures and manual audit procedures to ascertain correctness of the accruals. In addition we have tested the IT-environment for information systems used in recording revenue including: ■ Testing revenue related information systems' controls for access to program and data, user and change management and IT operations.

Key audit matter in the audit of the group	How our audit addressed the key audit matter
Goodwill impairment testing Reference to the financial statements note 15 Goodwill recorded in the consolidated financial statements amounts to EUR 327.2 (327.2) million. The management of the company is responsible for the impairment testing. As described in the accounting principles to the consolidated financial statements, the identification of impairment indicators as well as the estimation of future cash flows and the determination of fair values for assets (or group of assets) require management to make significant judgements. The most significant assumptions in impairment testing are growth in net sales, development of EBITDA, determination of discount rate (WACC) and the long term growth rate used after the five-year forecast period. We have identified and evaluated the risk that assumptions used in the impairment testing are not appropriate for the purpose and that the presented amount of goodwill is too high. Valuation of goodwill is a key audit matter in the audit due to the size of the goodwill balance and the high level of management judgement involved.	We obtained and reviewed the impairment testing calculations of the management. As a part of the audit: ▪ We accessed calculations prepared by the management and evaluated the accounting principles used in their preparation ▪ We discussed the most material assumptions used in the estimation of cash flows and compared them to the internal and external information available as well as to the long-term strategic plans and budget approved by the management. ▪ We reviewed and evaluated the basis for and mathematical accuracy of the definition of the discount rate (WACC). ▪ We tested the mathematical correctness of the impairment testing calculations.

We have no key audit matters to report with respect to our audit of the parent company financial statements.

There are no significant risks of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014 with respect to the consolidated financial statements or the parent company financial statements.

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

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

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a 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 to 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 about 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As 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 to 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

Appointment

We were appointed as auditors by the annual general meeting on 22 March 2017. Trading in the DNA share began on the pre-list of Nasdaq Helsinki (the Helsinki Stock Exchange) on 30 November 2016, and on the official list of the Helsinki Stock Exchange on 2 December 2016.

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 the 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
- 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 8 February 2019

PricewaterhouseCoopers Oy
Authorised Public Accountants

Mika Kaarisalo
Authorised Public Accountant (KHT)

SHARES AND SHAREHOLDERS

Shares

DNA's share is traded on Nasdaq Helsinki (the Helsinki Stock Exchange). On 31 December 2018, DNA's registered 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, the Group held 182,789 treasury shares. In March 2018, a total of 82,028 treasury shares were handed over to participants of the Group's long-term share-based reward system (Bridge Plan 2017). See note 10 for more information on DNA's share-based reward system.

In 2018, a total of 62,379 million DNA shares, totalling EUR 1.135 billion, were traded on the Nasdaq Helsinki Stock Exchange. The highest quotation was EUR 22.02 and the lowest EUR 14.80. The average rate was EUR 18.19 and volume-weighted average rate EUR 18.20. The closing quotation on the last trading day of the review period, 28 December 2018, was EUR 17.08 and the market capitalisation (without DNA's holding of its own shares) was EUR 2.257 billion (EUR 2.066 billion at end of 2017).

DNA's share was added to the OMX Helsinki 25 index, (Nasdaq Helsinki: OMXH25) on 1 August, 2018. The OMX Helsinki 25 Index is the leading equity index for the Finnish equity market including the 25 most traded Blue chip companies on Nasdaq Helsinki.

Shareholders and flagging notifications

At the end of the review period, the number of registered shareholders totalled 14,272, nominee registrations included (9). The proportion of nominee registrations and direct foreign shareholders at the end of 2018 was 26.43%.

On 31 December 2018, the largest shareholders of DNA Plc were Finda Telecoms Oy (28.26%), PHP Holding Oy (25.78%) and Ilmarinen Mutual Pension Insurance Company (3.87%). At the end of the review period, they held a total of 57.90% of DNA's shares and voting rights.

On 9 May 2018, DNA received a notification according to Chapter 9, Section 5 of the Securities Markets Act from Finda Telecoms Oy, stating that the company's holdings and proportion of voting rights in DNA Plc had fallen below the 30% threshold as a result of a business transaction made on 8 May 2018, and now correspond to 28.26% of DNA Plc's shares and voting rights.

Share-based reward systems

DNA has a Performance Share Plan (PSP) for senior management and other key employees. The plan has three three-year earning periods: 2017–2019, 2018–2020 and on 20 December, DNA's Board of Directors decided on new performance period of 2019–2021. In addition, DNA has a Restricted Share Plan (RSP). See note 10 for more information on DNA's share-based incentive scheme.

DNA adheres to the recommendation on the shareholdings of the Group Executive Team. According to the recommendation, each Executive Team member should own a share in the company, which corresponds to his or her annual fixed gross salary. In order to achieve the recommended ownership, the Executive Team members must retain ownership of at least 50 per cent of the shares they have received through the share-based incentive systems (calculated based on the net number of shares remaining after deduction of the applicable withholding tax), until the person's share in DNA is in line with the recommendation.

DNA has issued a stock exchange release on the incentive plans for senior executives and other key employees on 31 January 2017.

Matching share plan for DNA personnel

In December, the Board of Directors of DNA Plc decided on the establishment of a matching share plan for all DNA employees. The purpose of the plan is to steer the activities of personnel towards the attainment of strategic objectives, as well as to improve the long-term commitment of personnel and offer incentives in the form of potential increase in share value.

Participation in the matching share plan is voluntary. The first saving period in 2019-2020 begins in April 2019 and will run until March 2020. The saved shares are purchased quarterly at market value after the publication of financial results. The Board of Directors of DNA will decide annually on possible new saving periods and their terms.

Composition of DNA's Nomination Committee

DNA's three largest shareholders appointed the following representatives to the Shareholders' Nomination Committee in September 2018: Tommi Aurejärvi, Finda Telecoms Oy; Seppo Vikström, PHP Holding Oy; Esko Torsti, Ilmarinen Mutual Pension Insurance Company. The Chairman of DNA's Board of Directors Pertti Korhonen participates in the work of the committee.

The three shareholders whose portion of the votes conferred by all the shares in the company according to the shareholders' register, maintained by Euroclear Finland Ltd, is the greatest on 1 September are entitled to appoint the committee members. The Nomination Committee is tasked with preparing proposals for the Annual General Meeting regarding the election and remuneration of Board members.

DISTRIBUTION BY SECTOR 31 DECEMBER 2018

Shareholders by sector	Number of shares	% of shares
Households	5,239,905	4.0
Public sector	8,298,874	6.3
Financial and insurance institutions	40,093,245	30.3
Companies	43,077,258	32.5
Non-profit communities	616,452	0.5
Direct foreign ownership	143,374	0.1
Nominee registered	34,834,392	26.3
In total	**132,303,500**	**100**

BREAKDOWN BY SIZE OF HOLDING 31 DECEMBER 2018

Number of shares	Number of shareholders	% of shareholders	Number of shares	% of shares
1–100	5,273	36.95	324,839	0.25
101–500	6,217	43.56	1,525,168	1.15
501–1,000	1,642	11.51	1,204,911	0.91
1,001–5,000	903	6.33	1,748,942	1.32
5,001–10,000	99	0.69	707,259	0.54
10,001–50,000	83	0.58	1,658,227	1.25
50,001–100 000	21	0.15	1,482,768	1.12
100,001–500,000	21	0.15	3,939,635	2.98
500,001–	13	0.09	119,711,751	90.48
In total	**14,272**	**100.00**	**132,303,500**	**100.00**

PER-SHARE KEY FIGURES

	2018 Reported	2018 Adjusted	2017 Reported	2016	2015	2014
Basic earnings per share, EUR	0.77	0.74	0.71	0.51	0.39	0.10
Diluted earnings per share, EUR	0.77	0.74	0.71	0.51	0.39	0.10
Equity per share, EUR	4.58	4.23	4.58	4.5	4.1	4.0
Dividend per share, EUR	0.70*	0.70*	0.46	0.55	0.31	0.24
Capital payment per share from the reserve for invested unrestricted equity, EUR	0.40*	0.40*	-	-	-	-
Extra capital payment per share from the reserve for invested unrestricted equity, EUR	-	-	0.17	-	-	-
Dividend per earnings, %	-	-	0.47	-	-	-
Capital payment per share from the reserve for invested unrestricted equity, from result %	91%	95%	65%	108%	81%	242%
Extra capital payment per share from the reserve for invested unrestricted equity, from result %	52%	54%	-	-	-	-
Effective dividend yield, %	-	-	24%	-	-	-
Effective share-based capital payment from the reserve for invested unrestricted equity,%	-	-	66%	-	-	-
Effective share-based extra capital payment from the reserve for invested unrestricted equity,%	4.1	4.1	2.9%	5.4%	-	-
Price/earnings ratio (P/E)	2.3	2.3	-	-	-	-
Lowest price of the share	-	-	1.1%	-	-	-
Highest price of the share	-	-	3.0%	-	-	-
Average price of the share	22.2	23.1	22.0	19.9	-	-
Market capitalisation	14.80	14.80	10.13	9.87	-	-
Trading volume for the financial period	22.02	22.02	15.85	10.29	-	-
Trading volume for the financial period, %	18.19	18.19	13.90	10.09	-	-

* Board of Directors proposal to the AMG

Weighted average adjusted number of shares during the financial period (1,000)	2,259,743,780	2,259,743,780	2,070,549,775	1,342,880,525	-	-
Adjusted number of shares at the end of the financial period (1,000)	62,378 600	62,378,600	79,550,798	56,981,069	-	-
Trading volume for the financial period, %	47.1%	47.1%	60.2%	43.1%	-	-
Weighted average adjusted number of shares during the financial period (1,000)	132,039	132,039	131,923	127,733	127,306	127,183
Adjusted number of shares at the end of the financial period (1,000)	132,039	132,039	132,081	132,304	127,318	127,187

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.

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

DNA's vision and mission are to have the most satisfied customers. DNA's development is guided by customer satisfaction, which is measured by means such as the Net Promoter Score (NPS), a measure of the likelihood that a customer would recommend the product or service. Relationship NPS, or rNPS, which measures overall relationship to a business, improved further in 2018, in both Consumer and Corporate Business.

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

DNA participated in the Great Place to Work® survey for the fifth time in 2018. The survey measures employee satisfaction and the company's employer image. According to the survey, as many as 90% of DNA employees consider DNA to be a great workplace. The results of the Great Place to Work® survey conducted in 2018 are published in February 2019.

In March 2018, DNA became the first large company in Finland to be receive the Family-Friendly Workplace certificate from the Family Federation of Finland.

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

Respect for human rights

DNA operates in Finland, where the risk of human rights violations is low. Human rights issues are relevant in DNA's 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 at DNA in 2018.

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 main environmental impact of DNA's business is related to greenhouse gas emissions. DNA has signed up to the Society's Commitment to Sustainable Development, in which the Group undertakes to reduce the climate impacts of its operations.

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.

In 2018, DNA updated its climate objectives as follows:

- DNA will reduce energy indirect greenhouse gas emissions (Scope 2) by 100% by 2023 from the level reported in 2014.
- The emission calculation methods for DNA's main product categories will be adjusted during 2019 and DNA will set a Scope 3 climate objective accordingly.

In 2018, DNA's energy indirect greenhouse gas emissions (Scope 2) were 17,900 tonnes (19,600), which is 9% less than in 2017. DNA's Scope 2 emissions have decreased by approximately 40% since 2014, which is due to procurement of renewable energy and increased energy efficiency in the radio networks.

As part of the Group's risk management process, DNA has identified possible risks and opportunities related to climate change in terms of the impact of physical or political events and changes in consumer behaviour and has specified control practices for them.

Anti-corruption and anti-bribery

DNA has zero-tolerance of corruption and bribery: DNA's Code of Conduct bans any corruption. Every DNA employee is required to attend DNA's Code of Conduct training. By the end of 2018, 84% of DNA personnel had completed the training. In addition, DNA's Sustainability Manager and Fraud Manager train DNA personnel on DNA Group's anti-corruption policies and procedures as required.

DNA has separate guidelines for the giving and receiving of business gifts.

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 2018.

CALCULATION OF KEY FIGURES

$$\text{Earnings per share (EUR)} = \frac{\text{Result for the financial period attributable to equity holders of the parent company}}{\text{Weighted number of shares during the financial period excluding treasury shares}}$$

$$\text{Equity per share (EUR)} = \frac{\text{Equity attributable to equity holders of the parent company}}{\text{Number of shares on balance sheet date}}$$

Net debt (EUR) = Non-current and current borrowings -cash and cash equivalents

$$\text{Net gearing, \%} = \frac{\text{Net debt}}{\text{Total equity}}$$

$$\text{Equity ratio, \%} = \frac{\text{Total equity}}{\text{Total assets – advances received}}$$

EBITDA (EUR) = Operating result (EBIT) + depreciation, amortisation and impairments

$$\text{Return on investment (ROI), \% *} = \frac{\text{Net result before income taxes + finance expense}}{\text{Total equity + borrowings (average for the period)}}$$

$$\text{Return on equity (ROE), \% *} = \frac{\text{Net result for the period}}{\text{Total equity (average for the period)}}$$

$$\text{Net debt/EBITDA*} = \frac{\text{Net debt}}{\text{Operating result + depreciation + amortisation + impairments}}$$

Comparable EBITDA (EUR) = EBITDA excluding items affecting comparability

Comparable operating result, EBIT (EUR) = Operating result, EBIT 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 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.

Cash flow after investing activities (EUR) = Net cash generated from operating activities + net cash used in investing activities

Capital expenditure (EUR) = Capital expenditure comprise additions to property, plant and equipment and intangible assets excluding business acquisitions, gross acquisition cost of spectrum licence and additions through finance leases and asset retirement obligations and including annual cash instalments for the spectrum licence.

*12-month adjusted

Operative capital expenditure = Operative capital expenditure is reported capital expenditure without annual cash instalments for spectrum licenses.

Operating free cash flow = Comparable EBITDA - operative capital expenditure

Free cash flow to equity (FCFE) = Comparable EBITDA – total capital expenditure excluding the annual cash instalment for spectrum licences - change in net working capital including an adjustment between operative capex and cash-based capex in order to present FCFE on a cash basis, however excluding cash instalments for spectrum licences and adjusted with the items affecting comparability - net interest paid - income taxes paid - change in provisions adjusted with the items affecting comparability.

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 EBIT, which have been adjusted with material items outside of ordinary course of business to improve comparability between periods. EBITDA, comparable EBITDA and comparable EBIT 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, cash flow after investing activities, operating free cash flow and free cash flow to equity 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.

CALCULATION OF PER-SHARE KEY FIGURES

$$\text{Earnings per share (EUR)} = \frac{\text{Result for the financial period attributable to equity holders of the parent company}}{\text{Weighted number of shares during the financial period excluding treasury shares}}$$

$$\text{Equity per share (EUR)} = \frac{\text{Equity attributable to equity holders of the parent company}}{\text{Number of shares on balance sheet date}}$$

$$\text{Dividend per share (EUR)} = \frac{\text{Dividend distribution for the financial period}}{\text{Number of shares on balance sheet date}}$$

$$\text{Dividend per earnings (\%)} = \frac{\text{Dividend per share}}{\text{Earnings per share}}$$

$$\text{Price/earnings ratio (P/E)} = \frac{\text{Stock price per share}}{\text{Earnings per share}}$$

LETTER FOR SHAREHOLDERS ABOUT THE SALARY AND COMPENSATION REPORT FROM THE CHAIR OF THE BOARD

Dear shareholders

This report describes the remuneration of the Board of Directors, the CEO and the members of the Executive Team of DNA in 2018. By providing this report, our aim is to implement a clear and transparent reporting of DNA's remuneration schemes and realized remuneration.

Our remuneration principles guide remuneration at DNA. The remuneration principles structure remuneration schemes throughout our organization and strive to ensure that the remuneration of the personnel is in the interests of the company and its shareholders.

The basis of remuneration is to promote the achievement of DNA's strategic targets and activities towards common goals. Remuneration schemes are prepared with the aim of boosting the company's competitiveness and long-term financial success, as well as promoting the positive development of shareholder value. Remuneration principles are taken into account in the remuneration schemes of the CEO and the members of the Executive Team.

In 2018, the performance criteria in the short-term incentive scheme for the CEO and the members of the Executive Team comprised cash flow development, growth in net sales to end customers and customer satisfaction. The target and maximum level earning opportunities [remained at the same level as in 2017].

The long-term incentive scheme of DNA is based on total shareholder return (TSR) development compared to a peer group and development of cumulative cash flow and cumulative EBITDA. The three-year Performance Share Plan launched in 2017 will end in 2019.

The Performance Share Plan has been supported by a Bridge Plan. The performance periods of the Bridge Plan ended in 2018. The Bridge Plan was based on achievement of strategic goals. Based on the achievement of the targets set for the calendar year 2018, a total of 112,500 shares will be paid as a reward in spring 2019 (gross reward before the deduction of the applicable withholding tax). The shares earned as reward shall not be sold during the two-year restriction period.

We at DNA believe in long-term and uniform remuneration. The remuneration schemes of the Executive Team that also apply to other senior managers have remained largely unchanged after the listing of DNA. The Personnel Committee considers that the current remuneration schemes are still appropriate, and no major changes are planned for 2019 except for the matching shares plan for the personnel. The first saving period will begin in April 2019.

Remuneration reporting

The salary and remuneration report is divided into four sections as follows:

- Letter from the Chair of the Personnel Committee. This section highlights the key activities and decisions undertaken by the Personnel Committee during the year. The Personnel Committee reports to the Board of Directors, which makes the final decisions concerning the proposals made by the Committee.
- DNA Executive Team Remuneration policy report. This section explains how the executive remuneration policy and performance criteria are used to determine the remuneration of the CEO and the members of the Executive Team over future financial years. It also describes the remuneration principles that apply to senior managers and the decision-making process regarding the remuneration of the CEO and the Executive Team.
- DNA Executive Team Annual remuneration report. This section presents a full report on the remuneration of DNA's CEO and the members of the Executive Team in light of the Company's financial and operational performance over the latest reporting year.
- DNA's Board of Directors Remuneration review. This section describes the decision-making process regarding the remuneration of the Board of Directors, the remuneration paid to DNA's Board of Directors during the latest financial year and how remuneration levels have developed over the recent years. The Shareholders' Nomination Board submits proposals on the remuneration of DNA's Board of Directors to the Annual General Meeting for approval.

Pertti Korhonen
The Chair of the Personnel Committee

DNA EXECUTIVE TEAM REMUNERATION POLICY REPORT

DNA EXECUTIVE TEAM REMUNERATION POLICY REPORT

Remuneration principles of the Executive Team

DNA's remuneration schemes are prepared with the aim of boosting the company's competitiveness and long term financial success, as well as promoting the positive development of shareholder value. DNA's remuneration schemes are based on predefined, measurable criteria based on performance and results. The remuneration schemes are drafted in writing, and the content is as clear as possible. Remuneration can be based on long- and short-term performance and results.

The Board of Directors decides on the remuneration of the CEO and the members of the Executive Team. Board of Directors has set up a Personnel Committee to prepare proposals on matters such as the remuneration of the CEO and the Executive Team. Short-term incentives comprise target and performance-based payments that are decided upon annually and are based on the annual targets specified by the Board of Directors. Share-based incentive schemes serve as long-term incentives. The authorisation to purchase and issue shares in relation to this is decided on by the Annual General Meeting.

SUMMARY OF THE REMUNERATION POLICY FOR THE DNA EXECUTIVE TEAM

The remuneration policy for the CEO and the other members of the Executive Team consists of the following key elements:

Remuneration element	Purpose and link to strategy	Description and principles
FIXED SALARY	To provide a core level of reward for the role.	Fixed salary including taxable benefits (a car and a phone benefit). The fixed salary of the CEO was EUR 36,024 per month in 1 January – 31 December 2018.
BENEFITS	To provide competitive benefits in line with local market practices.	The members of the Executive Team are entitled to a car and a phone benefit.
INSURANCES	To protect the Executive Team members on their duties.	The CEO and the other members of the Executive Team have the same statutory insurances and additional free-time accident insurance as the entire personnel. In addition, the CEO and the other members of the Executive Team have a management and administration liability insurance.
ADDITIONAL PENSION	To provide a competitive retirement benefit in line with local market practices.	The CEO and the CFO are entitled to retire at the age of 60. Supplementary pension rights are assessed based on payments. The supplementary pension contribution for the CEO and the CFO is 20% of the fixed annual salary. The CEO and the CFO are entitled to a paid-up pension vesting in full within 6 years of the date they join the supplementary pension scheme. The other members of the Executive Team are entitled to retire at the age of 62. The supplementary pensions of the members of DNA's Executive Team are payment-based. The supplementary pension contribution for the Executive Team member is 8% of the fixed annual salary. The members of the Executive Team are entitled to a paid-up pension vesting in full within 6 years of the date they join the supplementary pension scheme.
SHORT-TERM INCENTIVES	To support the delivery of DNA's strategy and financial performance.	The short-term incentive scheme for the CEO and the Executive Team is based on company-level targets related to cash flow development, growth in net sales to end customers and customer satisfaction. In addition, a profit-based multiplier is applied for the CEO and the members of the Executive Team as well as the other personnel. Fulfilment of the criteria is monitored annually. Relation to the fixed annual salary: The CEO's annual performance-related bonus may be up to nine times/75% of the fixed annual salary. The annual performance-related bonus for the members of the Executive Team may be up to seven times/58% of the fixed annual salary.
LONG-TERM INCENTIVES	To drive long-term sustainable growth and align the interests of executives with shareholders.	DNA applies four long-term incentive plans: Performance Share Plan (PSP), Bridge Plan (BP), Restricted Share Plan (RSP), and from 2019 onwards a matching shares plan for the entire personnel (MSP). The Board of Directors of DNA decides annually on the launch of new earning and saving periods as well as the terms and conditions. The PSP consists of separate share-based plans, that begin annually and have a three-year earning period. In PSP 2019-2021, the performance criteria are based on total shareholder return (TSR) of DNA compared to a peer group and the development of DNA's EBITDA and in PSP 2018-2020 on TSR of DNA compared to a peer group and the development of DNA's cumulative cash flow. The Bridge Plan consists of two three-year share-based plans which each have a one-year earning period and a two-year restriction period. The plans begun in 2017 and 2018. Shares received as a reward cannot be sold during the two-year restriction period. The performance criteria applying to both bridge plans are based on DNA's key strategic objectives during the earning periods. The CEO and the members of the Executive Team are entitled to participate in the matching shares plan for the personnel. Relation to the fixed annual salary: The maximum amount of reward payable under the share-based incentive schemes is limited in such a way that each participant's annual share reward may be a maximum of three times their annual fixed gross salary.
CLAW BACK	To ensure pay for performance.	Claw back provisions apply to long- and short-term incentive scheme awards in exceptional circumstances such as misconduct or misstatement of financial results.
SHARE OWNERSHIP RECOMMEN-DATION	To encourage executives to build a meaningful shareholding in DNA.	DNA adheres to a shareholding recommendation for the CEO and the members of the Executive Team. According to the recommendation, the CEO and the members of the Executive Team should hold a stake in the company corresponding to his/her annual fixed gross salary. In order to achieve the recommended ownership, the members of the Executive Team must retain ownership of at least 50 per cent of the shares they have received through the aforementioned share-based incentive schemes (calculated based on the net number of shares remaining after deduction of the applicable withholding tax), until the person's share in DNA is in line with the recommendation.
SERVICE CONTRACTS AND LOSS OF OFFICE PAYMENTS	To ensure clear contractual terms are followed.	The CEO's period of notice is six months, for both the company and the CEO. If the contract is terminated by DNA, the CEO is entitled to severance pay that equals the CEO's salary for no more than eight months, in addition to the salary paid during the six-month notice period. The members of the Executive Team have notice periods of six or three months applying to both parties. If DNA terminates an employment contract, the Executive Team member is entitled to severance pay corresponding to six months' salary in addition to the salary paid during the notice period.

Supplementary information

Benchmarking approach

The Personnel Committee reviews market benchmark data from Finnish and, where necessary, international telecom companies of a similar size to DNA when setting total remuneration packages for the CEO and the members of the Executive Team. This is used more as a guide than a direct determinant of pay levels. Other factors considered include each individual's role and experience, as well as company and individual performance.

2014 share-based remuneration scheme (2014 LTI)

In 2014, DNA's Board of Directors decided on a long-term share-based remuneration scheme for DNA's Executive Team, other senior managers and specified key personnel. The performance criteria was based on share value increase of DNA. The people covered by the scheme were offered the opportunity to receive a reward in the form of shares or cash, as decided by the company, if the company was listed on the stock exchange or in cash if divestments were made by the largest shareholders. Of the possible outcomes of the scheme, the listing of the company on the stock exchange materialised. The rewards earned from the long-term incentive scheme were paid in December 2017.

Restricted Share Plan (RSP)

The RSP can be used as a supplementary tool to ensure the commitment of employees in specific situations, such as in acquisitions and in recruitments. The possible reward is subject to continuation of the employment. The RSP typically covers only a few persons each year, and it consists of share-based plans that begin annually. Each plan has a three-year restriction period, after which the shares allocated at the beginning of each respective plan are paid to the participants, provided that they are still employed by DNA until the payment of the reward. The launch of each new plan requires a separate decision by the Board of Directors.

DNA EXECUTIVE TEAM REMUNERATION POLICY REPORT

The year in review

We measure the success of our Executive Team by how well DNA achieves its strategic and financial targets. Year 2018 was the best in DNA's history. We succeeded well in executing our strategic targets – customer satisfaction developed positively, our net sales and profitability were at the highest level of all time in DNA's history and our employees were even more satisfied with DNA as an employer.

SHORT-TERM INCENTIVE SCHEME

Short term incentives for 2017 (paid in 2018)

The short-term incentive scheme 2017 was based on the following company level targets:

- cash flow development
- growth in net sales to end customers
- customer satisfaction.

DNA's first year as a listed company was excellent in light of how strategic and financial targets were achieved. Operative free cash flow increased by 26 per cent compared to 2016. Net sales to end customers in 2017 grew by 3.6 per cent. Free cash flow to equity was at a good level. Satisfaction of our customers improved further, i.a. in the Consumer business the product level NPS improved in the main product groups, in the Corporate business NPS remained at the same healthy level as in the previous year, and in the DNA stores the customer satisfaction was at a record high level.

Details of the short-term incentive scheme award for the CEO for 2017 are set out below:

CEO 2017 SHORT-TERM INCENTIVES (PAID IN 2018)

Weighting	Measures	Level of achievement 2017 (maximum is 100%)
60%	Cash flow development	100%
20%	Growth in net sales to end customers	100%
20%	Customer satisfaction	50%
	Total	**Total achievement 90%**

Short term incentives for 2018 (to be paid in 2019)

The short-term incentive scheme 2018 was based on the following company level targets:

- cash flow development (weighting 60 %)
- growth in net sales to end customers (weighting 20 %)
- customer satisfaction (weighting 20 %).

LONG-TERM INCENTIVE SCHEMES

Details of the long-term incentive scheme awards:

	2014 LTI	2017 PSP			2017 Bridge plan		2017 RSP		
Earning period	**2014-2017**	**2017-2019**	**2018-2020**	**2019-2021**	**2017-2019**	**2018-2020**	**2017-2019**	**2018-2020**	**2019-2021**
Number of participants at the delivery or grant	35	51	51	69	51	51	0	0	0
Maximum gross number of shares to be delivered at grant (before tax withholding)									
To CEO	216,000	53,500	45,000	39,129	17,800	15,000			
To other Executive Team members	522,000	151,500	106,400	92,332	50,600	35,200			
To other participants	1,182,000	266,000	198,000	250,697	88,900	65,700			
Total	**1,920,000**	**471,000**	**349,400**	**382,158**	**157,300**	**115,900**			
Performance measures (weighting)	Share value (100%)	Relative TSR (40%) and cumulative cash flow (60%)	Relative TSR (40%) and cumulative cash flow (60%)	Relative TSR (40%) and EBITDA development (60%)	Strategic targets (100%)	Strategic targets (100%)	Continuation of employment and financial criterion	Continuation of employment and financial criterion	Continuation of employment and financial criterion
Level of achievement of performance measures	91.25%				100.00% (2017)	90.59% (2018)			
Number of gross shares to be delivered (before tax withholding)									
To CEO	195,206				17,800				
To other Executive Team members	471,748				50,600				
To other participants	764,556				82,100				
Total	**1,431,510**				**150,500**				
Delivery year	2017	2020	2021	2022	2018	2019	2020	2021	2022
Lock-up period on vested shares					2 years	2 years			

Remuneration paid to the CEO and Executive Team members in 2018:

2018 (EUR)	Cash salary	STI based on the performance in the previous year	Benefits	Share reward*	Additional pension	Total
CEO	428,749	338,482	13,620	310,403	97,057	**1,188,311**
Other members of the Executive Team	1,389,230	841,091	26,955	882,013	159,436	**3,298,725**

* Based on delivery date 1 March 2018 share price.

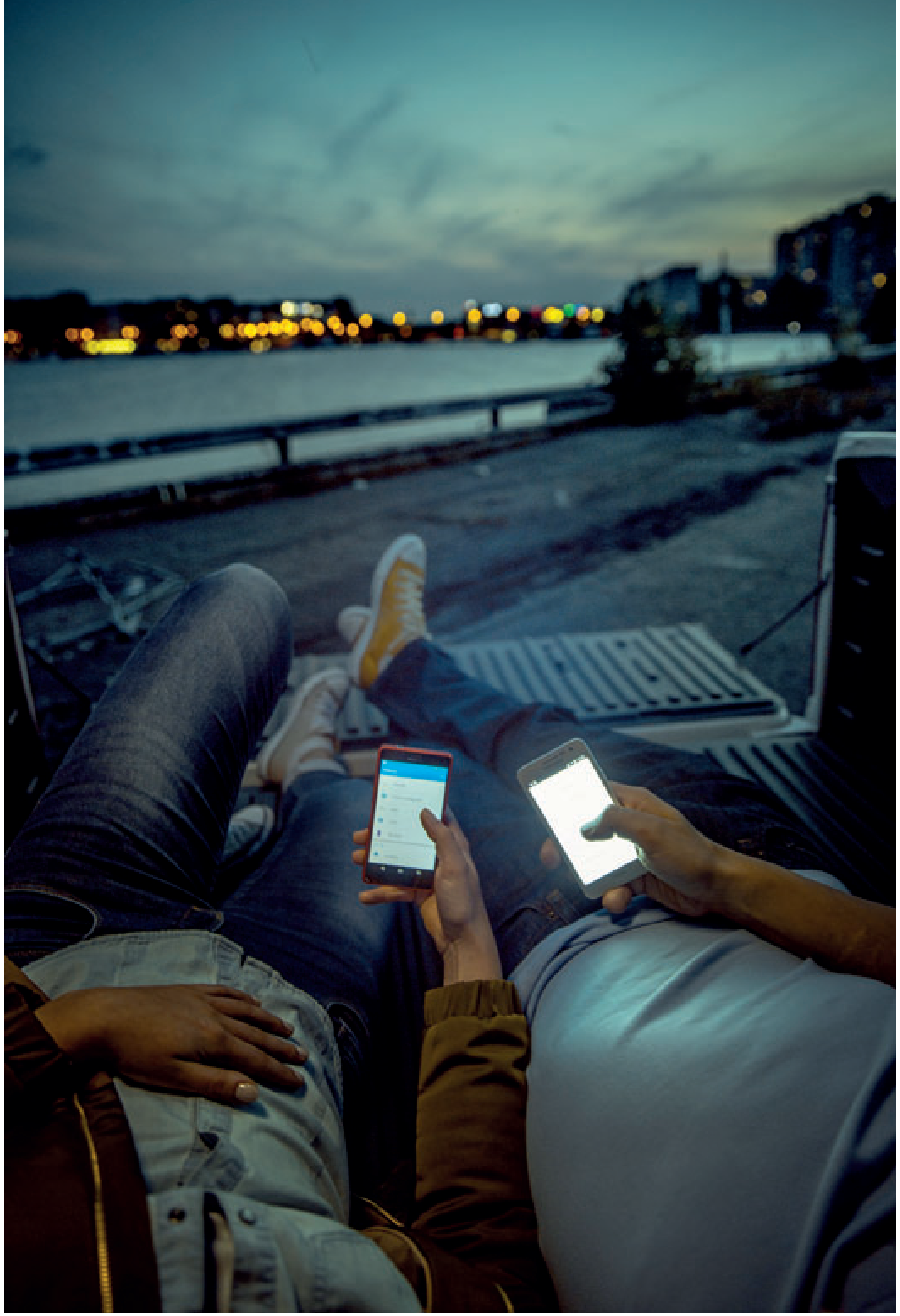
Remuneration paid to the CEO and Executive Team members in 2017:

2017 (EUR)	Cash salary	STI based on the performance in the previous year	Benefits	Share reward**	Additional pension	Total
CEO	530,108	263,135	37,354	3,008,550	95,749	**3,934,896**
Other members of the Executive Team	1,665,704	776,538	86,564	7,267,118	157,355	**9,953,279**

** Based on delivery date 4 December 2017 share price.

SHAREHOLDINGS OF THE EXECUTIVE TEAM

Name	Position	Executive Team member since	31 December 2018	31 December 2017
Jukka Leinonen	CEO	2010	45,000	125,032
Timo Karppinen	CFO	2012	17,000	44,083
Asta Rantanen	Senior Vice President, Legal Affairs	2007	10,900	29,488
Pekka Väisänen	Senior Vice President, Consumer Business	2009	11,503	42,209
Hannu Rokka	Senior Vice President, Corporate Business	2014	5,789	34,431
Tommy Olenius	Senior Vice President, Technology	2009	23,531	39,807
Janne Aalto	CIO	2014	20,000	37,933
Christoffer von Schantz	Senior Vice President, Strategy	2013	18,000	30,263
Marko Rissanen	Senior Vice President, Human Resources	2007	5,000	26,555



Remuneration of personnel

Short-term incentives

DNA wants to ensure that all of its employees can share in the success of the company and good performance of its personnel. All employees of DNA are covered by a short-term incentive scheme. Reward are paid based on achievement of set targets. In spring 2018 DNA paid EUR 5.7 million (EUR 5.5 million) performance-based short-term incentives to managers and employees (the sum includes pension and social security payments). The main short-term incentive scheme of the company is based on the requirement of the position, and the annual earning opportunity is 1–3 months fixed salary. Rewards are defined based on the financial situation of the company. No rewards are paid unless the company's EBIT exceeds a threshold level.

Matching shares plan for the personnel

In December 2018 the Board of Directors of DNA Plc has decided on the establishment of a matching shares plan for all DNA personnel. The purpose of the plan is to steer the activities of personnel towards the attainment of strategic objectives, as well as to improve the long-term commitment of personnel and offer incentives in the form of potential increase in share value.

Participation in the matching shares plan is voluntary. The first saving period in 2019-2020 begins in April 2019 and will run until March 2020. Each employee may participate in one saving period at a time, with the saved shares purchased quarterly at market value after the publication of financial results. Participants may purchase shares up to a value of EUR 500 per month. The matching shares issued for the saved shares will be paid in a single instalment at the end of the holding period, with DNA issuing each participant one matching share for two purchased shares. In addition, participants have the opportunity to receive additional matching shares based on a multiplier of 0.75 if the performance measure set for the plan is achieved. The Board of Directors of DNA will decide annually on possible new saving periods and their terms.

DNA'S BOARD OF DIRECTORS REMUNERATION REVIEW

Decision-making process regarding remuneration

DNA's General Meeting decides on the remuneration paid for the work of the Board of Directors and its Committees, along with the bases for determining the remuneration, for one term of office at a time. The shareholders' Nomination Committee prepares matters relating to the remuneration of the Board of Directors. By virtue of the Limited Liability Companies Act, the General Meeting, or the Board of Directors authorised by the General Meeting, decides on granting shares or options.

Remuneration of the Board of Directors

The General Meeting decides on the remuneration payable to the Board of Directors based on the proposal by the shareholders' Nomination Committee.

The fees payable to the members of the Board of Directors consist of a fixed fee and a fee per meeting and may also include remuneration in the form of shares. No pension payments are associated with the fees payable to members of the Board of Directors.

Travel expenses are reimbursed according to the applicable decision of the Tax Administration on the reimbursement of tax-free travel expenses.

Remuneration of the Board of Directors in 2018

DNA's Annual General Meeting, held on 22 March 2018, decided not to change the Remuneration paid to the Board of Directors. The remuneration is as follows:

- Annual remuneration, Chairman of the Board of Directors: EUR 144,000
- Annual remuneration, members of the Board of Directors: EUR 48,000
- Meeting fee, members of the Board of Directors: EUR 1,050 per meeting per person
- Meeting fee, Committee Chair: EUR 1,050 per meeting per person
- Meeting fee, Committee members: EUR 525 per meeting per person.

The Nomination Committee recommended that each member of the Board annually spend 40 per cent of their annual remuneration, net of withholding tax, on purchasing the company's shares until the value of their shareholding corresponds to their gross annual remuneration.

ANNUAL REMUNERATION AND MEETING FEES 2018 (EUR)

Name	Annual remuneration*	Meeting fees	Total
Pertti Korhonen	144,240	24,150	**168,390**
Anu Nissinen	48,240	16,800	**65,040**
Tero Ojanperä	48,240	13,650	**61,890**
Jukka Ottela	48,240	19,425	**67,665**
Margus Schults	48,000	18,375	**66,375**
Kirsi Sormunen	48,240	19,950	**68,190**
Heikki Mäkijärvi (member of the Board of Directors until 22 March 2018)	12,060	5,250	**17,310**

*The difference in the annual remuneration decided by the Annual General Meeting and actual annual remuneration is caused by the taxable value of the phone benefit.

ANNUAL REMUNERATION AND MEETING FEES 2017 (EUR)

Name	Annual remuneration	Meeting fees	Total
Pertti Korhonen	152,240	27,300	**179,540***
Jarmo Leino (until 22 March 2017)	4,060	3,675	**7,735**
Heikki Mäkijärvi	36,180	11,550	**47,730**
Anu Nissinen	48,240	21,525	**69,765**
Tero Ojanperä	48,023	17,850	**65,873**
Jukka Ottela	48,240	20,475	**68,715**
Margus Schults	48,000	21,000	**69,000**
Kirsi Sormunen	48,240	24,150	**72,390**

*Including remuneration from 2016 (25 October 2016–31 December 2016).

SHAREHOLDINGS OF THE BOARD OF DIRECTORS:

Name	31 December 2018	31 December 2017
Pertti Korhonen	11,001	**11,001**
Anu Nissinen	15,917	**15,917**
Tero Ojanperä	3,440	**10,440**
Jukka Ottela	16,241	**19,241**
Margus Schults	6,875	**6,875**
Kirsi Sormunen	3,000	**2,000**
Heikki Mäkijärvi (member of the Board of Directors until 22 March 2018)	50	**0**

Valid authorisation concerning remuneration

On 22 March 2018, the Board was authorised to decide on a share issue, to dispose of own shares held by the company and an issue of special rights entitling to shares as referred to in Chapter 10, Section 1, of the Companies Act.

Under the authorisation, the Board of Directors may issue up to 10,000,000 new shares or own shares held by the company in one or several lots. The proposed maximum number corresponds with approximately 7.5 per cent of all of the company's current shares.

A share issue may also take place as a directed issue i.e. deviating of the pre-emptive subscription right of the shareholders. The authorisation may be used to implement company arrangements, to improve the company's capital structure, for the company's incentive schemes, for the payment of any share-based rewards to the Board members and other purposes decided by the Board. The Board of Directors is authorised to decide on all other terms and conditions relating to a share issue and of the issue of special rights entitling to shares.

The authorisation will be effective until the end of the next Annual General Meeting. The authorisation cancels the authorisation granted to the Board of Directors by the Annual General Meeting of 22 March 2017 to decide on a share issue and an issue of special rights entitling to shares.

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