

Half-Year Financial Report
2023



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DNA Plc's Half-Year Financial Report 2023:**Total revenues, EBITDA, and operating result continued to improve****Summary**

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

January–June 2023

- Total revenues grew 6% and amounted to EUR 513 million (483).
- EBITDA increased 3% and was EUR 189 million (184).
- The operating result increased 13% and totaled EUR 93 million (82).
- Average revenue per user (ARPU)¹⁾:
 - ARPU for mobile communications increased 4% and was EUR 17.8 (17.2).
 - ARPU for fixed-network broadband decreased slightly and was EUR 16.3 (16.5).
 - ARPU for TV subscriptions increased 16% and was EUR 9.5 (8.2).
- Number of subscriptions:
 - The number of mobile subscriptions²⁾ increased and was 2,742,000 (2,719,000).
 - The number of fixed-network broadband subscriptions increased and was 659,000 (625,000).
 - The number of TV subscriptions decreased and was 218,000 (240,000).

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

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

Key figures

EUR million	1-6/2023	1-6/2022	Change, %	1-12/2022
Net sales	513	483	6	997
EBITDA	189	184	3	364
% of net sales	37	38		37
Depreciation, amortisation and impairment	96	102		204
Operating result, EBIT	93	82	13	160
% of net sales	18	17		16
Net result before tax	86	79	9	151
Net result for the period	68	62	9	120
Return on investment (ROI), %	12	13		12
Return on equity (ROE), %	21	18		17
Capital expenditure	92	71	29	167
Cash flow after investing activities	90	47	91	99
Net debt	625	666	-6	634
Net debt/EBITDA	1.7	1.8		1.7
Net gearing, %	99	106		96
Equity ratio, %	38	40		40
Earnings per share, basic and diluted, EUR	0.51	0.47		0.91
Personnel at the end of period	1,749	1,779	-2	1,695

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CEO's review

DNA's financial figures for January–June 2023 indicate that our business has developed favourably. Our total revenues grew 6% year-on-year and amounted to EUR 513 million (483), EBITDA increased 3% and was EUR 189 million (184) and our operating result increased 13% to EUR 93 million (82). The number of mobile subscriptions increased by 23,000 year-on-year, and their ARPU increased to EUR 17.8 (17.2). The number of fixed-network broadband subscriptions increased by 39,000 on the comparison period, but their ARPU decreased to EUR 16.3 (16.5). The number of fixed telephony and TV subscriptions fell as expected. Inflation also contributed positively to the development of revenues, even though it was not possible to pass the rapid increase of energy and wholesale prices on to the prices of DNA's services.



DNA's growth as the fixed-network broadband market leader has continued, and demand for 5G services has further accelerated. Demand has also been driven by our expanding 5G network, which covered almost 90% of the population at the end of June. In the spring, DNA rose to an historic second place in the mobile phone network subscription market, measured by the number of subscriptions. Our long-term success is based on an excellent customer experience in high-quality networks and uncomplicated service at all stages of the customer relationship.

DNA implemented its updated strategy during the first half of the year. We aim to have the most satisfied customers in the market and provide the best possible customer experience. As in previous years, we also aim to achieve faster than average market growth. We will contribute to the development of our society by constructing important network infrastructure, promoting digital inclusion, and connecting Finns to what matters most to them. In early July – that is, immediately after the end of the review period – we announced that DNA had made a significant investment in the domestic production of green energy by signing a ten-year purchase agreement for Finnish wind power. This purchase agreement will help us reach our ambitious net-zero emissions target in accordance with the Science Based Targets framework.

One of our strategic objectives is to be the best place to work and learn. Freedom, responsibility, and trust are a permanent part of our working culture at DNA. Our employees can choose freely where, when and how they work as long as their position allows it. We also focus on supporting coping at work. This is the focus of our new office strategy, which is why we have chosen Ilmalanlinna as the location for DNA's new head office. These premises in Ilmala, Helsinki have been designed to be inspiring, support wellbeing and encourage collaboration. We will move from Käpylä to Ilmala in summer 2024. Personnel's wishes have highlighted a need to strengthen our sense of community, and the new office is a step in this direction.

In spite of DNA's favourable result, it should be noted that the first half of 2023 was still overshadowed by general uncertainty both globally and in the market. According to the Bank of Finland's June forecast¹⁾, the Finnish economy is expected to contract in 2023. High inflation – and the rise of energy prices in particular – combined with higher reference interest rates have eroded consumers' purchasing power and increased business costs. Although the Bank of Finland expects a slight upswing in the current shallow recession during 2024, the recession may still have an impact on DNA's business.



Jussi Tolvanen
CEO

1) Source: Bank of Finland 20 June 2023: Finnish economy to move from shallow recession to moderate growth
Available at: <https://www.suomenpankki.fi/en/media-and-publications/releases/2023/shallow-recession-in-finnish-economy-to-be-followed-by-moderate-growth/>

DNA Plc Half-Year Financial Report 2023

Operating environment in January–June 2023

At the end of 2022, the Finnish telecommunications market remained characterised by tough competition between established operators. Russia's war against Ukraine has caused global uncertainty, clouding the economic outlook in Finland as well. Comparatively high inflation has eroded consumers' purchasing power, which has also been hit by a rise in the most common reference interest rates.

The need for strong information security and data protection was further highlighted during January–June 2023. The cyber threat level had already increased significantly after Finland submitted its NATO application in spring 2022, and this has led to an increase in cyber influence attempts. Preparations had, however, been made for this. The role of information security, data protection and high operational network reliability are expected to gain in importance in the future.

5G construction continued briskly in Finland during January–June 2023. By the end of June, almost 90% of the population lived in areas covered by DNA's 5G services. In addition to mobile services, fixed 5G is a good alternative for use as home broadband outside city centres. In densely populated urban areas, broadband connections will still be built largely with fixed fibre.

Regulation

During spring 2023, the Ministry of Transport and Communications worked with other ministries to further investigate the effects of waiving the must-carry obligation for radio programmes. The amendment to the must-carry obligation for radio programmes that was proposed in summer 2022 did not progress to Parliament during the previous government term. If telecommunications companies were no longer subject to the must-carry obligation for radio programmes, more efficient network usage would lead to faster cable broadband connections.

Several regulatory initiatives related to DNA's industry are pending in the EU. They relate to the regulation of artificial intelligence, data mobility, networks, and data security.

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

Total revenues and result

Consolidated key figures

EUR million	1-6/2023	1-6/2022	Change, %	1-12/2022
Total revenues	513	483	6	997
EBITDA	189	184	3	364
% of total revenues	37	38		37
Operating result	93	82	13	160
% of total revenues	18	17		16
Net result for the period	68	62	9	120

DNA's total revenues for January–June 2023 grew 6% and amounted to EUR 513 million (483). 79% (76) of total revenues was generated by consumer business and 21% (24) by corporate business. EBITDA increased and was EUR 189 million (184), or 37% of total revenues (38). The operating result increased 13% and totaled EUR 93 million (82). The operating result as a percentage of total revenues was 18% (17). The result for the financial period increased and was EUR 68 million (62).

Key operative indicators

	1-6/2023	1-6/2022	Change, %	1-12/2022
Number of mobile subscriptions at end of period	2,742,000	2,719,000	1	2,750,000
average revenue per user (ARPU), EUR	17.8	17.2	4	17.4
Number of fixed subscriptions at end of period	890,000	888,000	0	890,000

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

Cash flow and financial position

EUR million	1-6/2023	1-6/2022	Change, %	1-12/2022
Cash flow after investing activities	90	47	91	99
Net debt	625	666	-6	634
Net debt/EBITDA	1.7	1.8		1.7
Net gearing, %	99	106		96
Equity ratio, %	38	40		40

Cash flow after investing activities in January–June 2023 was EUR 90 million (47). Cash flow was impacted by a decrease in committed working capital and an increase in group cash pool account receivables, for instance.

At the end of June, DNA had a EUR 295 million internal revolving credit facility, of which EUR 93 million (49) remained undrawn, and a EUR 56 million (45) Group overdraft.

Net gearing decreased to 99% (106) at the end of the period, reflecting the lower dividend payment compared to the previous year.

DNA's liquidity is at a healthy level. The Group's liquid assets amounted to EUR 7 million (8). Net debt was EUR 625 million (666). The Group's liquid assets and undrawn committed credit facilities totaled EUR 155 million (102). In addition to liquid assets, DNA has cash pool receivables of EUR 100 million (51).

Changes in working capital had a EUR 3 million positive (EUR 21 million negative) impact on cash flow. The decrease in working capital was due to lower inventories and a decrease in trade receivables.

DNA has a strong balance sheet. The net debt/EBITDA ratio was 1.7 (1.8) at the end of the period. DNA's equity ratio at the end of the period was 38% (40).

Development per business segment

Consumer business

EUR million	1-6/2023	1-6/2022	Change, %	1-12/2022
Total revenues	404	367	10	762
EBITDA	161	143	13	284
% of total revenues	40	39		37
Operating result	98	76	29	152
% of total revenues	24	21		20

In January–June 2023, consumer business total revenues increased and came to EUR 404 million (367). EBITDA remained stable and was EUR 160 million (143). The EBITDA percentage of total revenues was 40% (39). The operating result increased 29% and was EUR 98 million (76), or 24% of total revenues (21). The figures were partly affected by the change in segment reporting from the beginning of 2023, when some of the customers in the corporate business were transferred to the segment reporting of the consumer business.

In the spring, DNA rose to second place in the Finnish mobile network subscription market. The company's long-term success is based on its excellent customer experience. DNA has been increasing its market share in both mobile and fixed-network broadband for some years. The company's growth as the fixed-network market leader also continued thanks to DNA's reliable, high-quality network.

In early 2023, DNA opened Vaihtokapula – an online store for secondhand phones that aims to boost the circular economy for smartphones. Vaihtokapula makes buying a used phone safe and easy. The new service's supply chains and goods flows have been designed to be both cost-effective and ecological.

DNA also wants to enable its customers to use the internet securely with the aid of comprehensive and easy-to-use information security services. DNA expanded its selection of data security services in early 2023 with the introduction of DNA Selausturva. This service operates in DNA's mobile network and makes smartphone use safer by blocking harmful websites and phishing attempts.

In May, DNA launched its Takuuhinta concept, which provides DNA's webstore and DNA Stores with up-to-date information about the prices being charged by a variety of phone retailers. DNA Takuuhinta then automatically matches DNA's phone price to the lowest current market price without customers needing to make any comparisons themselves. As consumer prices are rising in general, DNA Takuuhinta makes it easier for consumers to find the right phone for them at the lowest possible price.

Corporate business

EUR million	1-6/2023	1-6/2022	Change, %	1-12/2022
Total revenues	108	116	-7	235
EBITDA	28	41	-32	80
% of total revenues	26	36		34
Operating result	-6	5	-212	9
% of total revenues	-5	5		4

In January–June 2023, DNA’s corporate business total revenues decreased to EUR 108 million (116). EBITDA decreased and was EUR 28 million (41). The EBITDA percentage of total revenues was 26% (36). The operating result fell to EUR -6 million (5), or -5% of total revenues (5). The deterioration in the ratios was due to a change in segment reporting from the beginning of 2023, where some of the corporate customers were transferred to the consumer segment reporting.

The first half of 2023 was a period of growth for DNA’s corporate business. DNA won new corporate customers, and the customer churn rate remained moderate in spite of the highly competitive situation. DNA conducted customer pilots in the utilisation of new technologies, such as a pilot on the use of 5G in mobile libraries in collaboration with BusinessOulu and the City of Oulu.

Capital expenditure

Capital expenditure comprises additions to property, plant and equipment, and intangible assets, excluding business acquisitions and asset retirement obligations. Capital expenditure includes spectrum licences capitalized during the reporting period

EUR million	1-6/2023	1-6/2022	Change, %	1-12/2022
Consumer business	56	44	28	107
Corporate business	35	27	31	60
Total capital expenditure	92	71	29	167

EUR million	1-6/2023	1-6/2022	Change, %	1-12/2022
Operative capital expenditure ¹⁾	69	58	20	137
% of total revenues	13	12		14
Lease investments (IFRS 16)	23	13	70	30
Total capital expenditure	92	71	29	167

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

In January–June 2023, capital expenditure increased 29% and came to EUR 92 million (71). Operative capital expenditure increased 20% year-on-year and amounted to EUR 69 million (58), or 13% of total revenues (12).

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

Network infrastructure and new technologies

In January–June 2023, DNA continued to make considerable investments in network infrastructure. By the end of June, 5G services were already available in more than 230 cities and municipalities, with approximately 4.9 million people covered by the network. Approximately 90% of Finns live within 5G service coverage. Preparations for introducing standalone architecture in the 5G network have continued, and commercial services will be announced when the ecosystem reaches a sufficient level of readiness.

Finnish Shared Network Ltd, a company jointly owned by DNA and Telia, made extensive expansions to its 5G network in Eastern and Northern Finland during 2023. This work progressed as planned and is reflected in the increase in the 5G network's population and geographical coverage.

The entire mobile network is being updated in conjunction with the construction of the 5G network. This is evident in even better data speeds, not only in 5G services but also in 4G services. DNA's mobile network also supports NB-IoT and LTE-M technologies, which makes it possible to provide advanced M2M services. In total, an average of 46.5 GB of data per subscription was transferred monthly in DNA's mobile network during the April–June 2023 period.

DNA's 3G network in Hyvinkää was shut down in May 2023. In 2021, DNA announced that the company would be shutting down its 3G network in stages during 2023, with Hyvinkää being the first municipality on the list. This work will continue in October, and will free up frequencies with new technologies, reduce electricity consumption and simplify network architecture.

Much of DNA's copper-based network was dismantled in the Satakunta region in January–June 2023, with the work progressing according to the published schedule. Back in 2021, DNA announced that it will replace its remaining copper-based networks with modern solutions by 2025. The work will be carried out in stages in municipalities where DNA provides services that use the copper-based network. There are several dozen municipalities, and DNA will contact users of the copper-based network to help in the transition to a replacement service.

DNA has continued to make appropriate investments in the fibre optic network, so that customers can enjoy Finland's most extensive gigabit-class fixed network both now and in the future. DNA's efforts as a provider of secure software-based network solutions were recognised by Fortinet during the review period, when DNA received the *EMEA Managed Security Service Provider of the Year* award. Fortinet is a leading equipment supplier in this area.

Personnel

	30 June 2023	30 June 2022	Change, %	31 December 2022
Consumer business	979	996	-2	949
Corporate business	770	783	-2	746
Total personnel	1,749	1,779	-2	1,695

At the end of June 2023, DNA Group had 1,749 employees (1,779), of which 669 were women (682) and 1,080 men (1,097). Salaries and employee benefit expenses paid during January–June 2023 amounted to EUR 66 million (58).

DNA's flexible work concept – which enables employees to work wherever and whenever it suits them – has been one of the company's success stories for more than ten years. The freedom to choose the best place and time for work has developed significantly during that time and the flexible approach is now a mainstay of DNA's corporate culture. The importance of a humane approach to employees' ability to cope at work has also become an important focus area. Nurturing these themes continued to be one of DNA's most significant HR themes during the first half of 2023, and extensive campaigns have been run in various media.

In January, DNA announced that the company would recruit all of its summer employees for 2023 without requesting a CV or traditional application letter. This was a major project, as DNA needed approximately one hundred summer employees to fill various expert and sales positions. The idea behind this project was to be a responsible employer: DNA wants to reduce the already high workload faced by summer jobseekers. It also improved the applicant experience and made the process more equal. The CV-free recruitment process mainly received very positive feedback from applicants.

In May, DNA announced that the company had managed to renew its Family-Friendly Workplace Certificate for a second time. This certificate, issued by the Family Federation of Finland, indicates that an employer is committed to implementing family-friendly values and social responsibility. DNA first received this certificate in 2018. It is valid for three years at a time, and the Family Federation of Finland regularly assesses the realisation and development of family-friendliness. This time, the assessment was based on an extensive personnel survey, and DNA will also carry out development measures on the basis of the responses. DNA is still the only large enterprise in Finland to have received this certificate.

In June, DNA announced that the company's new head office will be located in Ilmalanlinna, which is currently under construction. About a thousand DNA employees will move to the new head office in the Ilmala district of Helsinki in summer 2024. As DNA and its personnel play a major role in Finland's digital development, the wellbeing of DNA personnel is also vital: it ensures that everyone's daily life is simple and easy. Ilmalanlinna's modern premises will provide DNA personnel with an inspiring place to come together – one that better supports their wellbeing and sense of community, but also offers them quiet spaces for focused work. DNA's head office has been located in the Käpylä district of Helsinki since 2012.

For years, DNA has also understood that only a tolerant, non-discriminatory and inclusive work culture can best promote customer needs and guarantee an excellent workplace. Being one-of-a-kind is a theme that DNA will foster and bolster even more going forward. In June, DNA was an official partner of Helsinki Pride for the fifth year running.

Significant litigation matters

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

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

DNA's sole shareholder, Telenor Finland Holding Oy, decided to make the decisions to be made by the 2022 Annual General Meeting without holding an Annual or Extraordinary General Meeting. The decisions were made legally, in accordance with Chapter 5 Section 1 of the Companies Act. DNA announced these decisions in stock exchange releases dated 30 March 2023.

It was decided to approve the consolidated financial statements and the parent company's financial statements for the financial period 1 January to 31 December 2022. It was also decided that the company will distribute a dividend of EUR 0.76 per share for the financial year 2022. Based on the number of shares on 31 December 2022, a total dividend of EUR 100,458,459.84 was distributed. It was also decided that the remaining portion of the distributable funds be retained in equity.

It was resolved to discharge the Board of Directors and the CEO from liability regarding the financial year from 1 January to 31 December 2022. This discharge of liability applies to the members and terms of office listed below:

- 1 January–24 March 2022 **Jukka Leinonen** (Chair), **Birgitte Engebretsen**, **Gaute Simen Gravir**, **Nils Katla**, **Håvard Naustdal** and **Trine Rønningen**. **Jussi Tolvanen**, CEO.
- 24 March 2022–13 September 2022 **Jukka Leinonen** (Chair), **Birgitte Engebretsen**, **Gaute Simen Gravir**, **Håvard Naustdal** and **Trine Rønningen**. **Jussi Tolvanen**, CEO.
- 13 September–31 December 2022 **Petter-Børre Furberg** (Chair), **Birgitte Engebretsen**, **Gaute Simen Gravir**, **Håvard Naustdal** and **Trine Rønningen**. **Jussi Tolvanen**, CEO.

It was decided that the number of the Members of the Board of Directors will be three. **Petter-Børre Furberg** was elected as Chair of the Board, and **Thomas Thyholdt** and **Cecilie Heuch** as Members. Authorised Public Accountants Ernst & Young were elected as DNA's auditor with **Mikko Järventausta**, Authorised Public Accountant, as the principal auditor.

Corporate responsibility

DNA continued to implement its sustainability programme and objectives in January–June 2023. As part of Telenor Group, DNA will continue to work on and develop areas such as responsibility in the supply chain, human rights, and good governance. DNA also entered into two new partnerships. DNA will promote the digital skills of immigrant girls in cooperation with Plan International Finland, and those of seniors in cooperation with the Finnish Association for the Welfare of Older Adults (VTKL). DNA also opened Vaihtokapula, an online store for used smartphones, in order to boost the circular economy for smartphones.

In early July 2023 – immediately after the end of the review period – DNA announced that it had made a significant investment in the domestic production of green energy by signing a ten-year purchase agreement for Finnish wind power. All of the electricity directly purchased by DNA is renewable and, under the new agreement, more than 80 per cent of it will come from Exilion Tuuli's wind farm in Finland. The Palokangas wind farm in Ii is scheduled for completion in late 2024, and DNA will begin purchasing electricity in 2025. The purchase agreement will help DNA to reach the ambitious climate targets set by its owner, Telenor. Telenor has committed to achieving a net-zero emissions target in accordance with the international Science Based Targets framework.

Near-term risks and uncertainties

Strategic and operative risks

The Finnish telecommunications market is characterised by tough competition between established operators, and a high degree of penetration of telecommunications solutions. The economic uncertainty arising from Russia's war in Ukraine is also being reflected in Finland's economic outlook. Continued high inflation is eroding consumers' purchasing power, and the most common reference interest rates remain high. The situation is increasing uncertainty in the global economy and weakening the economic outlook in Finland as well. It is also creating uncertainty in DNA's financial outlook, consumer purchasing behaviour, and the supply chains and availability of the components required in network construction.

Cybersecurity threats have increased continuously over the last few years with digitalisation and more widespread use of digital networks and services. The threat level increased significantly after Finland submitted its NATO application and has led to an increase in cyber influence attempts. However, this did not come as a surprise since an increase in such attempts was to be expected as a result of Finland's NATO process, and in particular from Russia. The role of information security, data protection and high operational network reliability are expected to gain in importance in the future.

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

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

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

Regulatory risks

Both national and EU regulations have a significant impact on the operation of the telecommunications market in Finland. Regulatory influence on areas such as the price level of DNA's products and services, wholesale products that DNA procures from other operators, critical network components and the criteria used for distributing frequencies may have a significant impact on DNA's business. Changes in security policy may necessitate new regulations or the tightening of current regulations. It may also lead to stricter interpretations from regulatory bodies.

Financing risks

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

Damage risk

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

Changes in DNA's Executive Team in January–June 2023

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

On 28 April 2023, DNA announced that **Timo Kipinoinen**, MSc. (Econ), had been appointed CFO and a member of the Executive Team, and that **Sari Leppänen**, PhD, had been appointed CIO and a member of the Executive Team. Timo Kipinoinen took up his position as CFO at the beginning of May 2023. He has been Acting CFO and a member of the Executive Team since October 2022. Vesa Savolainen will continue as DNA's Acting CIO until Sari Leppänen takes up her new position in August 2023.

DNA's financial reporting in 2023

DNA will publish a half-year (January–June) financial report, a financial statements bulletin, and the financial statements for the 2023 financial period. For the January–March and January–September periods, DNA publishes business reviews (including the CEO's review) and certain financial and operative key figures as a press release. The business review for January–September 2023 will be published as a press release on 25 October 2023.

Due to delisting of DNA's share from Nasdaq Helsinki on 3 February 2020, DNA is not subject to reporting obligations as an issuer of shares as set out in the Finnish Securities Markets Act.

DNA is still subject to reporting obligations as an issuer of the senior unsecured fixed rate notes that are due in 2025 (ISIN: FI4000312095) that are listed on Nasdaq Helsinki stock exchange.

Group key figures

	1-6/2023	1-6/2022	1-12/2022
Earnings per share, basic and diluted, EUR	0.51	0.47	0.91
Equity per share, EUR	4.77	4.77	5.02
Shares outstanding at the end of the period, thousands			132,182
Weighted average adjusted number of shares during the financial period, basic, thousands	132,182	132,182	132,182
Weighted average adjusted number of shares during the financial period, diluted, thousands	132,182	132,182	132,182
Net debt, EUR thousands	625,094	666,113	633,967
Net gearing, %	99	106	96
Equity ratio, %	38	40	40
Net debt/EBITDA	1.7	1.8	1.7
Return on investment (ROI), %	12	13	12
Return on equity (ROE), %	21	18	17
Capital expenditure, EUR thousands	91,587	70,854	167,353
Capital expenditure, % of total revenues	18	15	17
Personnel at the end of period	1,749	1,779	1,695

Calculation of key figures

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

1) 12-month adjusted

DNA presents alternative performance measures as additional information to financial measures presented in the consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows

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

EBITDA is presented as a complementing measure to the measures included in the consolidated income statement because, in DNA's view, it increases understanding of DNA's results of operations. Net debt, ratio of net debt to EBITDA, net gearing, equity ratio, return on equity and return on investment are presented as complementing measures because, in DNA's view, they are useful measures of DNA's ability to obtain financing and service its debts. Capital expenditure, operative capital expenditure and cash flow after investing activities provide also additional information of the cash flow needs of DNA's operations.

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

Consolidated income statement

EUR thousands	1–6/2023	1–6/2022	1–12/2022
Total revenues	512,749	482,702	997,059
Materials and services ¹⁾	-211,220	-184,820	-396,707
Employee benefit expenses	-65,755	-58,198	-115,732
Depreciation, amortisation and impairments	-96,160	-102,250	-203,810
Other operating expenses ¹⁾	-47,001	-55,790	-120,606
Operating result	92,613	81,644	160,206
Finance income	1,446	290	748
Finance expense	-8,304	-3,417	-9,976
Share of associates' results	2	9	14
Net result before income tax	85,757	78,526	150,991
Income tax expense	-17,850	-16,305	-30,672
Net result for the period	67,907	62,222	120,319
Attributable to:			
Owners of the parent company	67,907	62,222	120,319
Earnings per share for net result attributable to the owners of the parent company:			
Earnings per share, basic and diluted, EUR	0.51	0.47	0.91

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

¹⁾ Certain expenses have been reclassified between other operating expenses and materials and services since January 2023. Comparative figures have not been restated. The effect of reclassification was EUR 9 million in 2022 and EUR 4 million in 1–6/2022 between above mentioned income statement items. Reclassification did not affect operating result.

Consolidated statement of comprehensive income

EUR thousands	1-6/2023	1-6/2022	1-12/2022
Net result for the period	67,907	62,222	120,319
Items that will not be reclassified to profit or loss:			
Remeasurements of post-employment benefit obligations, net	64	342	426
Other comprehensive income, net of tax	64	342	426
Total comprehensive income	67,971	62,563	120,744
Attributable to:			
Owners of the parent company	67,971	62,563	120,744

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

Consolidated statement of financial position

EUR thousands	30 Jun 2023	30 Jun 2022	31 Dec 2022
ASSETS			
Non-current assets			
Goodwill	338,706	338,706	338,706
Other intangible assets	116,874	124,403	122,492
Property, plant and equipment	457,772	451,840	453,371
Right-of-use assets	215,597	222,299	214,961
Investments in associates	1,251	1,245	1,249
Other investments	111	111	111
Other receivables	87,183	79,471	86,584
Deferred tax assets	5,861	6,831	7,113
Total non-current assets	1,223,354	1,224,906	1,224,587
Current assets			
Inventories	41,667	41,883	45,256
Trade and other receivables	375,994	320,272	374,472
Contract assets	993	1,257	845
Income tax receivable	-	1,953	9,939
Accrued expenses	21,536	21,762	21,845
Cash and cash equivalents	6,507	8,354	8,432
Total current assets	446,697	395,479	460,790
Total assets	1,670,051	1,620,385	1,685,377
EQUITY			
Equity attributable to the owners of the parent company			
Share capital	72,702	72,702	72,702
Reserve for invested unrestricted equity	506,079	506,079	506,079
Treasury shares	-1,728	-1,728	-1,728
Retained earnings	-14,131	-8,107	-34,300
Net result for the period	67,907	62,222	120,319
Total equity	630,829	631,168	663,072
LIABILITIES			
Non-current liabilities			
Borrowings	460,145	497,549	470,431
Lease liability	122,852	134,625	124,964
Employment benefit obligations	886	1,077	982
Provisions	11,692	14,072	11,317
Deferred tax liabilities	57,186	53,287	59,818
Other non-current liabilities	11,320	11,838	11,817
Total non-current liabilities	664,081	712,449	679,329
Current liabilities			
Lease liability	48,604	42,292	47,005
Contract liabilities	2,971	2,537	3,369
Provisions	351	208	438
Trade and other payables	313,780	224,365	292,164
Income tax liability	9,437	7,366	-
Total current liabilities	375,142	276,768	342,976
Total equity and liabilities	1,670,051	1,620,385	1,685,377

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

Consolidated statement of cash flows

EUR thousands	1-6/2023	1-6/2022	1-12/2022
Cash flows from operating activities			
Net result for the period	67,907	62,222	120,319
Adjustments ¹⁾	117,868	120,984	240,884
Change in net working capital ²⁾	3,497	-21,076	-23,935
Dividends received	20	36	36
Interest paid	-6,035	-3,551	-4,472
Interest received	517	183	453
Other financial items	-646	-976	-2,902
Income taxes paid	-60	-9,754	-26,526
Net cash generated from operating activities	183,068	148,069	303,858
Cash flows from investing activities			
Investments in property, plant and equipment (PPE) and intangible assets	-79,098	-77,745	-147,915
Disposals of non-current assets	12	139	350
Other investments	-39	-106	-143
Group account receivable	-14,377	-22,922	-57,645
Net cash used in investing activities	-93,501	-100,634	-205,353
Cash flows from financing activities			
Dividends paid	-50,000	-200,917	-200,917
Proceeds from borrowings	25,000	202,164	252,755
Repayment of borrowings	-40,000	-30,000	-111,429
Repayment of lease liability	-26,589	-20,891	-41,298
Other non-cash transactions in financing activities	96	-255	-
Net cash used in financing activities	-91,493	-49,899	-100,889
Change in cash and cash equivalents	-1,926	-2,463	-2,385
Cash and cash equivalents at the beginning of period	8,432	10,817	10,817
Cash and cash equivalents at the end of period	6,507	8,354	8,432
¹⁾ Adjustments:			
Depreciation, amortisation and impairment	96,160	102,250	203,810
Gains and losses on disposals of non-current assets	-12	-136	153
Other non-cash income and expense	-2	-9	-14
Finance income and expense	6,858	3,127	9,435
Income tax expense	17,850	16,305	30,672
Change in provisions	-2,986	-552	-3,171
Total adjustments	117,868	120,984	240,884
²⁾ Change in net working capital:			
Change in trade and other receivables	7,587	-7,718	-32,907
Change in inventories	3,589	-3,665	-7,038
Change in trade and other payables	-7,679	-9,693	16,010
Total change in net working capital	3,497	-21,076	-23,935

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

Consolidated statement of changes in equity

EUR thousands	Share capital	Reserve for invested unrestricted equity	Treasury shares	Retained earnings	Total equity
1 Jan 2022	72,702	506,079	-1,728	192,357	769,410
Comprehensive income					
Net result for the period				120,319	120,319
Other comprehensive income					
Total other comprehensive income, net of tax				426	426
Total comprehensive income	-	-	-	120,744	120,744
Transactions with owners					
Share-based payments				715	715
Dividend distribution				-200,917	-200,917
Group contribution				-26,880	-26,880
Total transactions with owners	-	-	-	-227,082	-227,082
31 Dec 2022	72,702	506,079	-1,728	86,019	663,072
1 Jan 2023	72,702	506,079	-1,728	86,019	663,072
Comprehensive income					
Net result for the period				67,907	67,907
Other comprehensive income					
Total other comprehensive income, net of tax				64	64
Total comprehensive income	-	-	-	67,971	67,971
Transactions with owners					
Share-based payments				244	244
Dividend distribution				-100,458	-100,458
Total transactions with owners	-	-	-	-100,214	-100,214
30 Jun 2023	72,702	506,079	-1,728	53,776	630,829

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

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1 Accounting principles

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

2 Revenue

The group revenue consists of income from contracts with customers. The Consumer segment revenue in 1–6/2023 was 404.4 million (366.6) and the Corporate segment revenue was EUR 108.3 million (116.1). Segment revenue is derived from the transfer of goods and services in the following product lines over time and at a point in time:

EUR thousands	1–6/2023		1–6/2022		1–12/2022	
	Point in time	Over time	Point in time	Over time	Point in time	Over time
Timing of revenue recognition						
Subscription and traffic		278,268		261,335		533,446
Interconnect revenues		14,751		16,863		33,404
Mobile revenues subscriptions		293,019		278,198		566,849
Other mobile revenues		10,847		8,325		17,161
Total mobile revenues		303,865		286,523		584,010
Non-mobile revenues	85,536	15,764	75,756	12,431	171,763	22,978
Other revenues ¹⁾		12		-		3,633
Total revenues mobile operation	85,536	319,641	75,756	298,954	171,763	610,621
Telephony		6,059		7,014		13,856
Internet and TV		84,059		80,781		162,913
Other revenues		11,997		11,873		24,978
Total retail revenues		102,115		99,669		201,748
Wholesale revenues		5,456		8,323		12,927
Total revenues fixed operation		107,571		107,992		214,675
Total revenues	85,536	427,213	75,756	406,946	171,763	825,296

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

3 Segment information

1-6/2023

EUR thousands

Business segments	Consumer business	Corporate business	Unallocated	Group total
Total revenues	404,442	108,307		512,749
EBITDA	160,722	28,051		188,773
Depreciation, amortisation and impairment	62,223	33,937		96,160
Operating result	98,499	-5,885		92,613
Net finance items			-6,858	-6,858
Share of associates' results			2	2
Net result before income tax				85,757
Net result for the period				67,907
Capital expenditure ¹⁾	56,192	35,395		91,587
Personnel at the end of period	979	770		1,749

1-6/2022

EUR thousands

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

1-12/2022

EUR thousands

Business segments	Consumer business	Corporate business	Unallocated	Group total
Total revenues	761,901	235,159		997,059
EBITDA	283,758	80,257		364,015
Depreciation, amortisation and impairment	132,058	71,752		203,810
Operating result	151,700	8,505		160,206
Net finance items			-9,229	-9,229
Share of associates' results			14	14
Net result before income tax				150,991
Net result for the period				120,319
Capital expenditure ¹⁾	107,190	60,162		167,353
Personnel at the end of period	949	746		1,695

1) Capital expenditure is defined as additions to property, plant and equipment and intangible assets excluding business acquisitions and asset retirement obligations. Capital expenditure includes capitalised licenses.

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

The key figures were affected by a change in segment reporting from the beginning of 2023, where some of the corporate customers were transferred to the consumer segment reporting.

4 Capital expenditure

EUR thousands	1-6/2023	1-6/2022	1-12/2022
Capital expenditure ¹⁾			
Intangible assets	17,060	18,959	39,690
Property, plant and equipment	74,526	51,896	127,663
Total	91,587	70,854	167,353

1) Capital expenditure is defined as additions to property, plant and equipment and intangible assets excluding business acquisitions and asset retirement obligations. Capital expenditure includes capitalised licenses.

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

5 Equity

	Outstanding shares thousands	Treasury shares thousands	Total number of shares thousands	Share capital EUR thousands	Reserve for invested unrestricted equity EUR thousands
1 January 2022	132,182	121	132,304	72,702	506,079
31 December 2022	132,182	121	132,304	72,702	506,079
30 June 2023	132,182	121	132,304	72,702	506,079

DNA Plc has one class of shares. The total number of shares is 132,303,500 (132,303,500). The number of outstanding shares is 132,182,184 (132,182,184). The number of treasury shares is 121,316 (121,316). Treasury shares represent 0.09 per cent of the votes. On 30 June 2022, DNA Plc's share capital amounted to EUR 72,702,226. The shares do not have a nominal value, and all issued shares have been paid in full. The Company has distributed a dividend of EUR 0.76 per share for the financial period ending 31 December 2022, totaling EUR 100.458.459,84.

6 Borrowings

EUR thousands	30 June 2023	30 June 2022	31 December 2022
Non-current borrowings			
Bonds	247,736	246,432	247,080
Other loans	212,410	251,118	223,350
Lease liability	122,852	134,625	124,964
Total	582,997	632,175	595,395
Current borrowings			
Lease liability	48,604	42,292	47,005
Total	48,604	42,292	47,005

7 Net debt

EUR thousands	30 June 2023	30 June 2022	31 December 2022
Non-current borrowings	582,997	632,175	595,395
Current borrowings	48,604	42,292	47,005
Total borrowings	631,601	674,466	642,400
Less cash and cash equivalents	6,507	8,354	8,432
Net debt	625,094	666,113	633,967

Change in net debt	Reported in cash flows from financing activities			
	Cash	Current borrowings	Non-current borrowings	Net debt
EUR thousands				
1 January 2022	10,817	43,889	458,597	491,669
Change in cash	-2,385			2,385
Proceeds from borrowings		-6,899	259,654	252,755
Repayment of borrowings		-41,298	-110,000	-151,298
Other non-cash transactions		51,312	-12,856	38,457
31 December 2022	8,432	47,005	595,395	633,967
Change in cash	-1,926			1,926
Proceeds from borrowings		-	25,000	25,000
Repayment of borrowings		-26,589	-40,000	-66,589
Other non-cash transactions		28,188	2,602	30,790
30 June 2023	6,507	48,604	582,997	625,094

The Group's cash and undrawn credit facilities totaled EUR 155 million (102). In addition to cash and cash equivalents, DNA has group account receivables of EUR 100 million (51).

8 Provisions

EUR thousands	1 January 2023	Additions and transfers	Provisions used	Reversals	30 June 2023
Asset retirement obligation	11,151	5	-	-	11,156
Restructuring provision	362	61	-257	-	166
Other provisions	243	648	-	-168	723
Total	11,756	714	-257	-168	12,045

Asset retirement obligation

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

9 Related party transactions

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

1-6/2023				
EUR thousands	Organisations exercising significant influence		Associated companies	
Sales	2,004		-	
Purchases	8,489		458	
Dividend distribution	100,458		-	
Receivables	99,052		-	
Liabilities	297,591		-	

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

1-12/2022				
EUR thousands	Organisations exercising significant influence		Associated companies	
Sales	4,215		-	
Purchases	18,008		487	
Dividend distribution	200,917		-	
Group contribution	33,600		-	
Receivables	86,311		-	
Liabilities	258,357		-	

10 Share-based payments

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

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

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

There have been no share-based compensations during 2023.

Share-based payments

EUR thousands

Expense recorded	1-6/2023	1-6/2022	1-12/2022
Share-based payments	362	497	1,058