
INTERIM REPORT
JANUARY–MARCH 2019

Index

DNA Plc Interim Report, January–March 2019

DNA's mobile service revenue build up net sales and EBITDA

Summary

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

The first quarter of 2019 in brief

- Net sales increased 2.9% and amounted to EUR 228.9 million (222.3 million).
- Mobile service revenue grew 5.5% and was EUR 118.3 million (112.2 million).
- EBITDA increased 7.7% to EUR 76.1 million (70.7 million), or 33,2% of net sales (31.8%).
- Operating result decreased 1.2% and was EUR 34.8 million (35.2 million). Operating result as a percentage of net sales was 15.2% (15.8%).
- IFRS 16 had a positive impact on EBITDA in the review period and insignificant impact on operating result (Note 12).
- Operating free cash flow increased 4.7% and was EUR 57.7 million (55.2 million).
- Earnings per share was EUR 0.19 (0.19).
- The mobile communication subscription base grew 1.4%, totalling 2,851,000 (2,811,000).
- Revenue per user (ARPU) for mobile communications decreased 3.1% and was EUR 18.3 (18.9).
- The mobile communication subscription turnover rate (CHURN) decreased and was 17.2% (18.9%).
- The fixed-network subscription base (voice, broadband and cable television) grew to 1,154,000 subscriptions (1,138,000).

DNA's guidance for 2019 remains unchanged

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 EUR 17 million in EBITDA in 2019. The impact of IFRS 16 on operating result (EBIT) is insignificant.

Key figures

Figures are unaudited.
The impact of IFRS 16 on the statement of financial position and income statement is presented in note 12.

EUR million	1–3/2019	1–3/2018	Change-%	1–12/2018
Net sales	**228.9**	222.3	2.9	**911.8**
EBITDA	**76.1**	70.7	7.7	**284.9**
% of net sales	**33.2**	31.8		**31.2**
Depreciation, amortisation and impairment	**41.3**	35.4		**146.0**
Operating result, EBIT	**34.8**	35.2	–1.2	**138.9**
% of net sales	**15.2**	15.8		**15.2**
Net result before tax	**32.2**	30.6	5.1	**127.7**
Net result for the period	**25.3**	24.4	3.4	**102.2**
Return on investment (ROI), %	**13.5**	14.4		**14.1**
Return on equity (ROE), %	**18.6**	16.7		**16.4**
Capital expenditure	**32.1**	19.9	61.5	**138.3**
Cash flow after investing activities	**–0.9**	–7.9		**63.4**
Free cash flow to equity	**14.8**	–3.5		**72.0**
Net debt	**469.6**	304.0		**379.3**
Net debt/EBITDA	**1.54**	1.08		**1.33**
Net gearing, %	**96.7**	57.9		**62.7**
Equity ratio, %	**35.5**	38.8		**46.9**
Basic earnings per share, EUR	**0.19**	0.19		**0.77**
Diluted earnings per share, EUR	**0.19**	0.19		**0.77**
Personnel at the end of period	**1,605**	1,599		**1,590**

Additional information:

Jukka Leinonen, CEO, DNA Plc, +358 44 044 1000, jukka.leinonen@dna.fi
Timo Karppinen, CFO, DNA Plc, +358 44 044 5007, timo.karppinen@dna.fi
Marja Mäkinen, Head of IR, DNA Plc, +358 44 044 1262, marja.makinen@dna.fi
DNA Corporate Communications, +358 44 044 8000, communications@dna.fi

DNA's financial publications in 2019:

- Half-year financial report (January–June), 19 July 2019
- Interim Report January–September 2019, 22 October 2019

CEO's review

DNA's year 2019 is off to a good start. Our net sales increased 2.9% to EUR 228.9 million in comparison to the first quarter of 2018. The increase was fuelled by the growth of mobile device sales and mobile service revenue, which was boosted in particular by the positive development of our subscription base. Mobile service revenue was up 5.5% and mobile device sales 17.1% from the reference period. Our EBITDA grew 7.7% to EUR 76.1 million, or 33.2% of net sales.

Our mobile communication subscription base grew by 40,000 from the reference period, totalling 2,851,000 at the end of March. Our fixed-network broadband subscription base grew by 18,000 and our cable television subscription base by 11,000 subscriptions. Revenue per user (ARPU) for mobile communications decreased from the reference period and was EUR 18.3 (18.9). This is mostly due to the decrease in interconnection charges in December 2018. Our mobile communication subscription turnover rate (CHURN) was 17.2% (18.9%).

We prepared our network for 5G deployment with the introduction of 5G-capable technology and increased network capacity. The upgrade of our 4G network that got under way in the autumn of 2018 was completed during the first quarter in cities including Helsinki, Tampere and Turku. In some areas, the network updates have more than doubled the 4G data transfer speeds. We will expand our 5G network swiftly once 5G-capable mobile devices become widely available.

According to the report published by Tefficient in March, DNA's customers had the second-highest mobile data usage per subscription in the world, averaging 20.8 gigabytes per month. In 2018, the average figure was 15.9 gigabytes.

One of our strategic objectives alongside customer satisfaction and financial development is being a great place to work. Our long-term work to improve our corporate culture further received a great accolade in February 2019 when DNA was chosen the best workplace in Finland by the Great Place to Work institute in the category of large organisations.

At the heart of DNA is to operate as a reliable and responsible corporate citizen. We have four key areas in our updated responsibility strategy: digital inclusion, being a great place to work, climate-friendly operations and good governance. Our climate objective is to reduce energy indirect greenhouse gas emissions by 100% by 2023 from the level reported in 2014.

After the review period, on 9 April 2019, Norwegian telecommunications Group Telenor announced that it will acquire 54% of the shares of DNA from our two largest shareholders, Finda Telecoms Oy and PHP Holding Oy. The transaction is subject to certain conditions, including the approval by the general meetings of the seller entities and required regulatory approvals.

We will continue to develop our business according to our strategic objectives, focusing on customer experience, personnel satisfaction and profitable growth. DNA's net sales in 2019 is expected to remain at the same level as in 2018. With consideration to the impact of IFRS 16, EBITDA in 2019 is expected to increase substantially from 2018. DNA's financial position and liquidity are expected to remain at a healthy level.

Jukka Leinonen
CEO

DNA Plc Interim Report, January–March 2019

Operating environment

The Finnish economy is on the growth path and both consumer and business confidence has remained good. Competition remained intense in the first quarter, in mobile communication services in particular.

The use of mobile data continued to grow, boosted by increased adoption of smart phones, tablets and other internet-connected devices as well as the growing demand for high-speed 4G subscriptions.

A clear trend in Finland right now is the migration of xDSL subscribers to considerably faster fixed cable or fibre optic broadband subscriptions or replacement of xDSL connections with 4G mobile data connections. In addition, a growing number of households uses both fixed-network and mobile broadband.

Use of TV and video services became more versatile. While traditional TV viewing minutes decreased, the use of streaming and on-demand video services continued to grow. Growth of cable television subscriptions also continued. More customers are watching HDTV broadcasts, and they also increasingly want to watch content conveniently at a time that works best for them.

Both private and public organisations revamped their operations by switching their voice communications and customer service to mobile solutions. The rising business use of cloud services increases the demand for network capacity and fast fibre optic connections.

Regulation

DNA's 5G licence entered into force in early 2019.

The Ministry of Transport and Communications has started the reform of the Act on Electronic Communication Services to implement the requirements of the EU Directive. The new package of directives will mostly be applied to national legislation by the end of 2020, except for the cap on the cost of intra-EU mobile calls and texts, which will be applied as of 15 May 2019.

The Ministry of Transport and Communications started a market analysis on the wholesale markets for television and radio services (M18).

The national data protection law related personal data entered into force on January 2019. EU institutions continued to process the draft of ePrivacy regulation in the review period.

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

Net sales and result

Consolidated key figures

EUR million	1–3/2019	1–3/2018	Change-%	1–12/2018
Net sales	**228.9**	222.3	2.9	**911.8**
EBITDA	**76.1**	70.7	7.7	**284.9**
% of net sales	**33.2**	31.8		**31.2**
Operating result, EBIT	**34.8**	35.2	–1.2	**138.9**
% of net sales	**15.2**	15.8		**15.2**
Net result for the period	**25.3**	24.4	3.4	**102.2**

January–March 2019

DNA's net sales increased and totalled EUR 228.9 million (222.3 million). The growth was fuelled by strong mobile device sales and mobile service revenue[1)], which was boosted in particular by the favorable development of the mobile subscription base. Mobile service revenue in January–March grew 5.5% and was EUR 118.3 million (112.2). Mobile device sales were up 17.1% from the reference period. During the first quarter, 75.8% (74.3%) of net sales was generated by consumer business and 24.2% (25.7%) by corporate business.

EBITDA increased and was EUR 76.1 million (70.7 million). The EBITDA percentage of net sales was 33.2% (31.8%). While the positive development is mostly due to the impact of IFRS 16, growth of service revenue also contributed to it.

Operating result decreased and was EUR 34.8 million (35.2 million). Operating result as a percentage of net sales was 15.2% (15.8%). Operating result was weakened by an increase in depreciation.

Financial income and expenses amounted to EUR 2.6 million (4.6 million). Financial expenses for the reference period were increased by the senior unsecured bond issued by DNA. Income tax for the period was EUR 6.9 million (6.2 million). The effective tax rate for the period was 21.4% (20.1%). The net result for the first quarter increased and was EUR 25.3 million (24.4 million). Earnings per share came to EUR 0.19 (0.19).

[1)] Mobile service revenue = revenue generated by mobile subscriptions. Consumer and corporate mobile communication and mobile broadband services, corporate M2M services and corporate mobile virtual network operator (MVNO) services.

Key operative indicators

	1–3/2019	1–3/2018	Change-%	1–12/2018
Number of mobile communication network subscriptions at end of period	**2,851,000**	2,811,000	**1.4**	**2,877,000**
Revenue per user (ARPU), EUR	**18.3**	18.9	−3.1	**18.7**
Customer CHURN rate, %	**17.2**	18.9		**16.2**
Number of fixed line subscriptions at end of period	**1,154,000**	1,138,000	**1.4**	**1,152,000**

DNA's mobile subscriptions grew by 40,000 and fixed line subscription by 16,000 from the end of the reference period.

Revenue per user (ARPU) decreased from the reference period to EUR 18.3 (18.9). The decrease was due in particular to the drop in interconnection charges in December 2018 (the charge decreased from 1.25 cents to 0.93 cents per minute).

DNA's customer CHURN rate was 17.2% in the first quarter (18.9%). This was due to high customer satisfaction and DNA's ability to react quickly to competitors' campaigns.

Cash flow and financial position

Cash flow and financial key figures

EUR million	1–3/2019	1–3/2018	1–12/2018
Cash flow after investing activities	**–0.9**	–7.9	**63.4**

EUR million	1–3/2019	1–3/2018	1–12/2018
Net debt, EUR million	**469.6**	304.0	**379.3**
Net debt/EBITDA	**1.54**	1.08	**1.33**
Net gearing, %	**96.7**	57.9	**62.7**
Equity ratio, %	**35.5**	38.8	**46.9**

January–March 2019

Cash flow after investing activities was EUR –0.9 million (at the end of 2018: 63.4 million). Cash flow was impacted among others by the acquisition of Moi Mobiili in January.

At the end of March, DNA had an undrawn EUR 150 million revolving credit facility (at the end of 2018: 150 million), and undrawn EUR 15 million overdraft facility (at the end of 2018: 15 million). In addition, DNA has a commercial paper programme worth EUR 200 million (at the end of 2018: 150 million), under which EUR 60 million was drawn by the end of the review period (at the end of 2018: 50 million).

Net gearing increased and was 96.7% at the end of March (at the end of 2018: 62.7%). Net gearing was mainly impacted by IFRS 16 due to increased liabilities as lease agreements are now disclosed as liabilities in the balance sheet.

DNA's liquidity is at a healthy level. The Group's liquid assets amounted to EUR 27.4 million (at the end of 2018: 22.7 million). Net debt increased and was EUR 469.6 million (at the end of 2018: 379.3 million). The Group's liquid assets and undrawn committed credit limits amounted in total to EUR 192.4 million (at the end of 2018: 187.7 million). After the review period, on 10 April, a dividend of EUR 145.4 million in total was distributed for the financial year 2018.

Changes in working capital had an EUR 12.4 million (–28.5 million) negative impact on cash flow. The increase in working capital was mostly due to a decline in trade payables.

DNA has a strong balance sheet. Net debt/EBITDA ratio was 1.54 at the end of the review period (1.08). DNA's equity ratio was 35.5% at the end of March (38.8%). Both key figures were impacted by the IFRS 16 standard, and equity ratio also declined due to the recognition of dividends payable.

Standard & Poor's Global Ratings has assigned a long-term credit rating of BBB to DNA. The outlook is stable.

In February 2019, DNA signed with European Investment Bank a EUR 40 million loan agreement which complements the EIB funding of a total of EUR 90 million. The loans are to be used for 5G network investments.

In March, DNA agreed to restructure its long-term credit facilities using a binding, unsecured credit facility of EUR 150 million to finance working capital. The facility runs for a period of five years and there are two one-year extension options. The new credit facility replaces the previous credit facility of EUR 150 million agreed in 2015. The credit facility is used for securing the availability of short-term financing in a cost-efficient manner for several years. In addition, DNA has agreed that its domestic commercial paper programme will be raised to EUR 200 million.

Development per business segment

Consumer business

EUR million	1–3/2019	1–3/2018	Change-%	1–12/2018
Net sales	**173.6**	165.2	5.1	**684.9**
EBITDA	**57.6**	53.4	7.8	**218.8**
% of net sales	**33.2**	32.3		**31.9**
Operating result, EBIT	**31.1**	30.3	2.5	**123.7**
% of net sales	**17.9**	18.4		**18.1**

January–March 2019

Consumer business net sales increased and were EUR 173.6 million (165.2 million). Net sales were driven by the increasing demand for mobile services as well as good mobile device sales.

EBITDA increased and was EUR 57.6 million (53.4 million). EBITDA was improved by a change in calculation method according to IFRS 16, as well as an increase in mobile service revenue. The EBITDA percentage of net sales was 33.2% (32.3%). Consumer business operating result increased and was EUR 31.1 million (30.3 million), or 17.9% of consumer business net sales (18.4%). Depreciation of EUR 26.5 million (23.1 million) was allocated to consumer business. The increase was mostly due to IFRS 16.

On 11 January 2019, DNA acquired European Mobile Operator Oy. The company's wholly-owned subsidiary Moi Mobiili Oy provides mobile services to private and corporate customers. The acquired business operations are consolidated into DNA's consumer business figures from the first quarter of 2019 onwards. The transaction is not expected to have a significant impact on DNA's net sales or EBITDA for 2019. Before the acquisition, Moi Mobiili operated as a service operator in the DNA mobile network and the revenue was reported in DNA's corporate business figures.

Corporate business

EUR million	1–3/2019	1–3/2018	Change-%	1–12/2018
Net sales	**55.3**	57.1	−3.2	**226.8**
EBITDA	**18.5**	17.3	7.2	**66.2**
% of net sales	**33.5**	30.2		**29.2**
Operating result, EBIT	**3.7**	4.9	−24.0	**15.2**
% of net sales	**6.7**	8.6		**6.7**

January–March 2019

DNA's corporate business net sales decreased slightly in the first quarter and were EUR 55.3 million (57.1 million). The decrease was mainly due to the change in the reporting of Moi Mobiili, which is now part of consumer business, as well as the decrease in interconnection charges.

DNA acquired the service operator Moi Mobiili in January. Up to then, it operated as a customer in DNA's network and the revenue was reported for corporate business. As of 2019, Moi Mobiili revenue is reported for consumer business.

EBITDA increased from the reference period and was EUR 18.5 million (17.3 million), or 33.5% (30.2%) of net sales. EBITDA was improved by a change in calculation method according to IFRS 16. Operating result decreased and was EUR 3.7 million (4.9 million), or 6.7% (8.6%) of net sales. Depreciation to the amount of EUR 14.8 million (12.3 million) was allocated to corporate business. The increase was mostly due to IFRS 16.

In January, DNA signed a four-year agreement with Veikkaus to supply the gaming company with the largest company-specific network in Finland. The nationwide network will cover almost 7,000 Veikkaus sales outlets in total. Service delivery got under way in early 2019. First sales offices will be connected to the network during April 2019.

Capital expenditure

Capital expenditure

EUR million	1–3/2019	1–3/2018	Change-%	1–12/2018
Consumer business	**18.3**	13.3	37.2	**92.9**
Corporate business	**13.8**	6.5	111.2	**45.4**
Total capital expenditure	**32.1**	**19.9**	**61.5**	**138.3**

Capital expenditure is defined as additions to property, plant and equipment and intangible assets excluding business acquisitions and additions through asset retirement obligations. Capital expenditure includes annual cash instalments for capitalised spectrum licences.

EUR million	1–3/2019	1–3/2018	Change-%	1–12/2018
Operative capital expenditure	**18.3**	15.5	18.2	**133.9**
% of net sales	**8.0**	7.0		**14.7**
Lease investments (IFRS 16)	**5.2**	–		**–**
Spectrum licence	**8.6**	4.4		**4.4**
Total capital expenditure	**32.1**	19.9	61.5	**138.3**

Operative capital expenditure is reported capital expenditure excluding annual cash instalments for capitalised spectrum licences and lease investments (IFRS16).

January–March 2019

In the first quarter, capital expenditure was EUR 32.1 million (19.9 million). Operative capital expenditure decreased slightly to EUR 18.3 million (15.5 million), or 8.0% (7.0%) of net sales. In January, the spectrum licence fees for the 700 MHz and 3.5 GHz bands contributed EUR 8.6 million (4.4 million) to capital expenditure.

Major individual items included in capital expenditure in the review period were 4G network capacity expansion and development, 5G readiness as well as fibre optic networks and transmission systems.

Network infrastructure and new technologies

DNA makes continuous investments in mobile and fixed networks to keep providing high-quality connections to support the growing use of devices and digital services. DNA's 4G network reaches almost 100% of the population in mainland Finland. In the first quarter of 2019, mobile data volumes in DNA's network were up 23% year-on-year. In January–March, 94% of all mobile data was transferred in the 4G network.

DNA has been systematically preparing its mobile network for 5G with the introduction of 5G-capable technology and increased network capacity. As a result, data speeds in the 4G network have improved despite the growth of traffic volumes. 5G technology tests got under way towards the end of 2018 according to plan.

DNA's mobile network is NB-IoT ready. DNA has also piloted LTE-M technology in its network, which makes it possible to introduce new types of IoT services as we head towards the 5G era. DNA's M2M subscription base was boosted by building automation systems, the energy sector and the Internet of Things (IoT).

In March, the network upgrade that started in the autumn of 2018 was completed in the cities of Helsinki, Turku and Tampere. DNA's network was upgraded to higher performance and 5G deployment capability. With the introduction of new frequencies and the latest, 5G capable radio network technology, transfer speeds in the network have more than doubled.

In March, DNA started a comprehensive upgrade of mobile and fixed networks in the Heinola region. During the works, DNA will deploy several new base stations in the mobile network and will expand the fibre optic network. After the upgrade, the network in the Heinola region will be ready for 5G deployment. The introduction of new technology means that the services implemented with the old copper-based technology will be discontinued. After the upgrade is complete, fixed voice and xDSL services will no longer be available.

According to the report* published by Tefficient in March, DNA's customers had the second-highest mobile data usage per subscription in the world, averaging 20.8 gigabytes per month. In 2018, the average figure was 15.9 gigabytes. As usual, DNA's customers were among the highest users of mobile data in Europe in 2018. In January–March 2019, the average mobile data usage of DNA's customers per month reached 23.7 gigabytes. The new 5G networks and services will accelerate the use of mobile data further and will also extend it into new areas.

* Tefficient's report #1 2019 https://tefficient.com/all-operators-climbed-the-tree-46-turned-usage-growth-into-arpu-growth/ Tefficient is an international telecommunications specialist providing analysis, benchmarks and consulting services.

Personnel

Personnel by business segment

	31.3.2019	31.3.2018	Change %	31.12.2018
Consumer Business	902	936	−3.6	913
Corporate Business	703	663	6.0	677
Total personnel	**1,605**	**1,599**	**0.4**	**1,590**

At the end of March 2019, DNA Group had 1,605 employees (1,599), of which 642 were women (652) and 963 men (947).

Salaries and employee benefit expenses paid during the first quarter amounted to EUR 27.9 million (27.2 million).

One of DNA's strategic objectives is being a great place to work. Satisfied, motivated and qualified employees are a crucial foundation for DNA's ability to provide the best customer service on the market. In February 2019, DNA was chosen the best workplace in Finland by the Great Place to Work institute in the category of large organisations.

Significant litigation matters

The processing of the claim related to the trademark dispute between Deutsche Telekom AG and DNA continues at Helsinki District Court.

Change in DNA's Executive Team

Hannu Rokka, Senior Vice President of DNA's Corporate Business and member of the DNA Executive Team, left the company in February. The search for a new Senior Vice President for Corporate Business started immediately. Johan Flykt, Vice President, Corporate Sales, has taken over the responsibilities until the appointment of the new Senior Vice President, Corporate Business.

Decisions of Annual General Meeting

DNA's Annual General Meeting was held in Helsinki on 28 March 2019. In total, 476 shareholders were present or represented at the meeting, representing 79% of the votes. The AGM adopted the financial statements and discharged the Board of Directors and the CEO from liability for the financial period 2018.

Dividend was confirmed to be EUR 0.70 per share and additional dividend EUR 0.40 per share, in total EUR 1.10 per share. The dividend was paid on 10 April 2019.

The AGM approved the Nomination Committee's proposal of 21 January concerning the election and remuneration of Board members. The number of Board members was confirmed to be seven. Re-elected members include Pertti Korhonen, Anu Nissinen, Tero Ojanperä, Jukka Ottela and Kirsi Sormunen. Anni Ronkainen and Ted Roberts were elected as new board members. The term of office of the Board members expires at the end of the next AGM.

The AGM decided not to change the remunerations paid to the members of the Board of Directors. The Chairman of the Board is paid an annual remuneration of EUR 144,000 and each Board member EUR 48,000. Further, it was confirmed that the meeting fee per Board meeting will be EUR 1,050. The meeting fees of permanent committees of the Board were confirmed to be EUR 1,050 per meeting to Committee Chairs and EUR 525 to committee members.

Authorised Public Accountants Ernst & Young was elected as the company's auditor. APA Terhi Mäkinen acts as the principal auditor.

The AGM approved the proposal of the Board of Directors to authorise the Board to decide on the repurchase of own shares of the company, as well as to decide on a share issue, to dispose of own shares held by the company and an issue of special rights.

The minutes of the General Meeting are available at www.dna.fi/agm.

At the constitutive meeting of the Board of Directors held after the Annual General Meeting, Pertti Korhonen was elected Chairman, and members of the Audit Committee and the Personnel Committee were elected from among the Board members. Audit Committee members are Kirsi Sormunen (Chair), Jukka Ottela, Ted Roberts and Tero Ojanperä. Personnel Committee members are Pertti Korhonen (Chair), Anni Ronkainen, Anu Nissinen and Jukka Ottela.

Reports and statements published by DNA in 2018

In March, DNA published its 2018 annual report, consisting of the Board of Directors' report and financial statements 2018, corporate governance statement and corporate responsibility report with external assurance.

The reports and statements listed above area available in Finnish and English at DNA's website: https://www.dna.fi/annual-reports.

DNA updated its disclosure policy

In February, DNA's Board of Directors approved DNA's updated disclosure policy, which describes the company's key principles and procedures for communicating with capital market representatives. The updated policy determines the procedures for corporate communications and other external communications that the company will apply in its investor relations and financial reporting. The policy is available on DNA's website at: https://corporate.dna.fi/investor-relations#tiedonantopolitiikka.

Shares and shareholders

Shares

DNA's share is traded on Nasdaq Helsinki (the Helsinki Stock Exchange). On 31 March 2019, 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 March, the Group held 121,316 treasury shares. In March 2019, a total of 61,473 treasury shares were handed over to participants of the Group's long-term share-based reward system (Bridge Plan 2018). See note 10 for more information on DNA's share-based reward system.

In January–March 2019, a total of 12,583 million DNA shares, totalling EUR 227 million, were traded on the Nasdaq Helsinki Stock Exchange. The highest quotation was EUR 19.76 and the lowest EUR 16.52. The average rate was EUR 18.06 and volume-weighted average rate EUR 18.06. The closing quotation on the last trading day of the review period, 29 March 2019, was EUR 18.48 and the market capitalisation (without DNA's holding of its own shares) was EUR 2.443 billion (EUR 2.257 billion at end of 2018).

Shareholders and flagging notifications

At the end of the review period, the number of registered shareholders totalled 15,838, nominee registrations included (10). The proportion of nominee registrations and direct foreign shareholders at the end of 2018 was 24.04%.

On 31 March 2019, the largest shareholders of DNA Plc were Finda Telecoms Oy (28.26%), PHP Holding Oy (25.78%) and Ilmarinen Mutual Pension Insurance Company (3.49%). At the end of the review period, they held a total of 57.53% of DNA's shares and voting rights.

During the review period, DNA received no flagging notifications according to Chapter 9, Section 5 of the Securities Markets Act.

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 2019–2021. In addition, DNA has a Restricted Share Plan (RSP). See note 10 for more information on DNA's share-based incentive scheme.

Matching share plan for DNA personnel

In December 2018, the Board of Directors of DNA Plc decided on the establishment of a matching share plan for all DNA employees. In March 2019, the Board decided on the terms of the first earning period of 2019–2020. The plan was offered to all DNA employees as well as those Barona and Rainmaker employees, who have agency employment contracts with DNA. 57% of DNA's personnel were registered to participate the plan. The total amount of all savings of the plan period 1 April 2019 to 31 March 2020 may not exceed 5,000,000 euros.

The Board of Directors will resolve on the potential following plan periods and their details separately.

DNA's financial objectives and dividend policy

In February, DNA updated its medium-term objectives with respect to EBITDA margin and profit distribution policy. The new EBITDA margin goal was set with consideration to the impact of the adoption of IFRS 16 from the beginning of 2019, which is estimated to have a positive impact 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 objectives:

- net sales growth faster than average market growth
- EBITDA margin of at least 34%
- operative capital expenditure less than 15% of net sales (excluding capitalised spectrum licence payments and the impact of IFRS 16)
- net debt/EBITDA ratio of less than 2.0 which may be temporarily exceeded if DNA finds attractive opportunities that allow the company to complement its offering in existing markets.

DNA's dividend policy: DNA's goal is to pay a growing dividend to its shareholders or by other means to return capital equalling 80–100% 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 objectives.

Corporate responsibility

DNA started to implement its updated corporate responsibility strategy in the first quarter of 2019. DNA's responsibility strategy has four key areas: digital inclusion, being a great place to work, climate-friendly operations and good governance. For instance, DNA launched a responsibility programme to promote digital inclusion in Finland by supporting the work of SOS Children's Villages Finland, HelsinkiMissio and Hope to prevent digital exclusion of children and the young, senior citizens as well as low-income families.

DNA's key climate objective is to reduce energy indirect greenhouse gas emissions (Scope 2) by 100% by 2023 from the level reported in 2014.

DNA published its corporate responsibility report with the 2018 annual report in March. DNA reports on corporate responsibility according to the Global Reporting Initiative (GRI) guidelines. DNA's Corporate Responsibility Report has been assured by an independent external party.

Events after the review period

On 9 April 2019, Norwegian telecommunications Group Telenor announced that it will acquire 54% of the shares of DNA Plc. Telenor has signed separate agreements with DNA's two largest shareholders, Finda Telecoms and PHP Holding. Finda Telecoms holds 28.3% and PHP Holding 25.8% of the shares in the company.

The transaction is subject to certain conditions, including the approval by the general meetings of the seller entities and required regulatory approvals. Completion of the transaction will trigger a mandatory public tender offer for the remaining outstanding shares in DNA by Telenor. Telenor has announced that the cash consideration per share to be offered in the mandatory tender offer will be EUR 20.90. Subject to the outcome of the mandatory tender offer, Telenor has announced its intention to keep DNA's listing on the Nasdaq Helsinki stock exchange.

Near-term risks and uncertainties

According to the company, there have been no significant changes in near-term risks and uncertainties in the review period.

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. DNA mainly operates in Finland, a market where, for instance, the number of mobile phones per capita is among the highest in the world, which limits the prospects of future growth in the number of subscriptions.

DNA analyses changes in the operating environment and the resulting possible new business opportunities, which always involve higher risks than conventional and established business operations.

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

The ongoing shift in media use will provide both new risks and opportunities, for example while content rights are being negotiated. DNA monitors the TV and entertainment service market intensively and continuously enhances its service offering to anticipate changes in the market.

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

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

Use of mobile devices that have a constant network connection is increasing strongly among both business and private users. The Internet of Things (IoT) will further expand the volume of data traffic. As the IoT becomes more common, for example through the introduction of new kinds of smart devices, the role of good information security, data security and high operational network reliability gain in importance.

Regulatory risks

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

Regulatory initiatives indicating significant risks to DNA include the new European Electronic Communications Code, EU Data Protection Regulation and authority decisions on significant market power (SMP).

Financing risks

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

Damage risk

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

Outlook for 2019

Market outlook

According to the Bank of Finland, the Finnish economy will continue to expand, but growth has passed its cyclical peak. We expect the mobile network service market growth to slow down 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 expand the number of high-speed 4G subscriptions as well as mobile data usage per subscription. The share of 4G subscriptions in DNA's mobile subscription base is expected to grow, but at a more moderate rate.

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 EUR 17 million on 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 Plc
Board of Directors

Group key figures

Group key figures

	1 Jan–31 Mar 2019	1 Jan–31 Mar 2018	1 Jan–31 Dec 2018
Earnings per share, basic EUR	0.19	0.19	0.77
Earnings per share, diluted EUR	0.19	0.19	0.77
Equity per share, EUR	3.67	3.97	4.58
Shares outstanding at the end of the period (thousands)	132,121	132,121	132,121
Weighted average adjusted number of shares during the financial period, basic (thousands)	132,039	132,039	132,039
Weighted average adjusted number of shares during the financial period, diluted (thousands)	132,100	132,056	132,151
Net debt, EUR in thousands	469,569	304,025	379,273
Net gearing, %	96.7	57.9	62.7
Equity ratio, %	35.5	38.8	46.9
Net debt/EBITDA	1.54	1.08	1.33
Return on investment (ROI), %	13.5	14.4	14.1
Return on equity (ROE), %	18.6	16.7	16.4
Capital expenditure, EUR in thousands	32,133	19,891	138,271
Capital expenditure, % of net sales	14.0	8.9	15.2
Personnel at end of period	1,605	1,599	1,590

Reconciliation of comparable key figures

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

Free cash flow to equity

EUR in thousands	1 Jan–31 Mar 2019	1 Jan–31 Mar 2018	1 Jan–31 Dec 2018
Comparable EBITDA	**76,059**	**70,651**	**284,921**
Operative capital expenditure	–18,315	–15,491	–133,871
Operating free cash flow	**57,744**	**55,160**	**151,050**
Interest paid, net	–6,195	–14,807	–16,942
Income taxes, paid	–9,581	2,034	–12,428
Adjusted change in net working capital	–27,202	–45,711	–47,687
Change in provisions	1	–181	–2,034
Free cash flow to equity	**14,767**	**–3,505**	**71,959**

Key operative indicators

Mobile communication network subscription volumes:

Number of:	1 Jan–31 Mar 2019	1 Jan–31 Mar 2018	1 Jan–31 Dec 2018
Subscriptions*	2,851,000	2,811,000	2,877,000

* Includes only mobile broadband

	1 Jan–31 Mar 2019	1 Jan–31 Mar 2018	1 Jan–31 Dec 2018
Revenue per subscription (ARPU), EUR**	18.3	18.9	18.7
Customer churn rate, %**	17.2	18.9	16.2

** Includes only postpaid phone subscriptions

Fixed-network subscription volumes:

Number of:	1 Jan–31 Mar 2019	1 Jan–31 Mar 2018	1 Jan–31 Dec 2018
Broadband subscriptions	485,000	467,000	481,000
Cable TV subscriptions	631,000	620,000	630,000
Telephone subscriptions	38,000	51,000	41,000
	1,154,000	**1,138,000**	**1,152,000**

Calculation of key figures

Earnings per share (EUR)	=	Net result for the period / Weighted number of shares during the financial period excl treasury shares
Equity per share, EUR	=	Equity attributable to owners of the parent / Number of outstanding shares at end of period
Net debt, EUR	=	Non-current and current borrowings – cash and cash equivalents
Net gearing, %	=	Net debt / Total equity
Equity ratio, %	=	Total equity / Total assets – advances received
EBITDA, EUR	=	Operating result (EBIT) + depreciation, amortisation and impairments
Return on investment (ROI), % *	=	Net result before income taxes + finance expense / Total equity + borrowings (average for the period)
Return on equity (ROE), % *	=	Net result for the period / Total equity (average for the period)
Net debt/EBITDA*	=	Net debt / 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 and direct transaction costs and cost impacts on the share based compensation plan of the listing.
Cashflow after investing activities (EUR)	=	Net cash generated from operating activities + net cash used in investing activities

* 12-month adjusted

Calculation of key figures

Capital expenditure (EUR)	=	Capital expenditure comprises additions to property, plant and equipment and intangible assets excluding business acquisitions, and additions through asset retirement obligations and including annual cash instalments for capitalised spectrum licenses.
Operative capital expenditure	=	Operative capital expenditure is reported capital expenditure without annual cash instalments for capitalised spectrum licenses and without lease investments (IFRS 16).
Operating free cashflow	=	Comparable EBITDA – operative capital expenditure
Free Cash Flow to Equity (FCFE)	=	Comparable EBITDA – total capital expenditure excluding the annual cash instalment for spectrum licenses – 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 licenses and adjusted with the items affecting comparability – net interest paid – income taxes paid – change in provisions excluding 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.

Consolidated income statement

EUR in thousands	1 Jan–31 Mar 2019	1 Jan–31 Mar 2018	1 Jan–31 Dec 2018
Net sales	**228,883**	**222,346**	**911,758**
Other operating income	857	783	3,804
Materials and services	−97,583	−95,469	−398,661
Employee benefit expenses	−27,855	−27,238	−107,388
Depreciation, amortisation and impairments	−41,250	−35,414	−146,023
Other operating expenses	−28,242	−29,772	−124,592
Operating result, EBIT	**34,809**	**35,236**	**138,898**
Finance income	117	99	523
Finance expense	−2,758	−4,725	−11,700
Share of associates' results	0	6	14
Net result before income tax	**32,169**	**30,617**	**127,736**
Income tax expense	−6,883	−6,168	−25,502
Net result for the period	**25,286**	**24,448**	**102,234**
Attributable to:			
Owners of the parent	25,286	24,448	102,234
Earnings per share for net result attributable to owners of the parent:			
Earnings per share, basic EUR	0.19	0.19	0.77
Earnings per share, diluted EUR	0.19	0.19	0.77

Notes are an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income

EUR in thousands	1 Jan–31 Mar 2019	1 Jan–31 Mar 2018	1 Jan–31 Dec 2018
Net result for the period	**25,286**	**24,448**	**102,234**
Items that will not be reclassified to profit or loss:			
Remeasurements of post employment benefit obligations	–	–	249
Other comprehensive income, net of tax	**–**	**–**	**249**
Total comprehensive income	**25,286**	**24,448**	**102,483**
Attributable to:			
Owners of the parent	25,286	24,448	102,483

Notes are an integral part of the consolidated financial statements.

Consolidated statement of financial position

EUR in thousands	31 Mar 2019	31 Mar 2018	31 Dec 2018
ASSETS			
Non-current assets			
Goodwill	337,651	327,206	327,206
Other intangible assets	197,449	170,592	191,783
Property, plant and equipment	395,663	405,037	412,550
Right-of-use assets	85,312	–	–
Investments in associates	1,209	1,205	1,209
Other investments	117	117	117
Trade and other receivables	72,507	65,097	76,026
Deferred tax assets	7,675	8,630	7,691
Total non-current assets	**1,097,583**	**977,884**	**1,016,582**
Current assets			
Inventories	33,105	26,386	31,681
Trade and other receivables	238,969	223,265	243,652
Contract assets	2,622	1,298	972
Income tax receivables	18	–	–
Cash and cash equivalents	27,388	161,868	22,654
Total current assets	**302,101**	**412,817**	**298,960**
Total assets	**1,399,684**	**1,390,701**	**1,315,541**
Equity			
Equity attributable to owners of the parent			
Share capital	72,702	72,702	72,702
Reserve for invested unrestricted equity	506,079	506,079	506,079
Treasury shares	−1,728	−2,806	−2,806
Retained earnings	−116,718	−75,730	−73,439
Net result for the period	25,286	24,448	102,234
Total equity	**485,621**	**524,694**	**604,770**
LIABILITIES			
Non-current liabilities			
Borrowings	349,618	320,982	348,090
Lease **liabilities**	67,325	–	–
Contract **liabilities**	1,578	1,577	1,809
Employment benefit obligations	1,714	2,028	1,714
Provisions	4,886	6,608	5,307
Deferred tax liabilities	34,380	32,695	34,825
Other non-current liabilities	24,215	17,984	33,169
Total non-current liabilities	**483,716**	**381,874**	**424,914**
Current liabilities			
Borrowings	64,084	144,911	53,837
Lease **liabilities**	15,930	–	–
Contract **liabilities**	3,174	2,656	3,313
Provisions	208	514	277
Trade and other payables	344,140	332,858	223,374
Income tax liabilities	2,810	3,193	5,056
Total current liabilities	**430,347**	**484,133**	**285,857**
Total equity and liabilities	**1,399,684**	**1,390,701**	**1,315,541**

Notes are an integral part of the consolidated financial statements.

Consolidated statement of cash flows

EUR in thousands	1 Jan–31 Mar 2019	1 Jan–31 Mar 2018	1 Jan–31 Dec 2018
Cash flows from operating activities			
Net result for the period	25,286	24,448	102,234
Adjustments [1]	50,778	45,860	180,329
Change in net working capital [2]	–12,352	–28,528	–45,100
Dividends received	–	–	10
Interest paid	–5,170	–4,951	–6,438
Interest received	90	48	335
Other financial items	–1,114	–9,904	–10,839
Income taxes paid	–9,581	2,034	–12,428
Net cash generated from operating activities	**47,936**	**29,008**	**208,104**
Cash flows from investing activities			
Investments in property, plant and equipment (PPE) and intangible assets	–33,498	–37,075	–145,058
Proceeds from sale of PPE	–	172	402
Other investments	–15,315	–	–
Net cash used in investing activities	**–48,813**	**–36,902**	**–144,657**
Cash flows from financing activities			
Direct costs relating to share issue	–	–	–3,314
Dividends paid	–	–	–145,333
Proceeds from borrowings	189,649	389,961	859,880
Repayment of borrowings	–179,972	–243,790	–778,932
Payment of lease **liabilities**	–4,067	–	–
Net cash used in financing activities	**5,610**	**146,171**	**–64,385**
Change in cash and cash equivalents	4,734	138,276	–937
Cash and cash equivalents at beginning of period	22,654	23,592	23,592
Cash and cash equivalents at end of period	27,388	161,868	22,654
Adjustments [1]:			
Depreciation, amortisation and impairment	41,250	35,414	146,023
Gains and losses on disposals of non-current assets	4	–162	–324
Other non-cash income and expense	–	–6	–14
Finance income and expense	2,640	4,626	11,177
Income tax expense	6,883	6,168	25,502
Change in provisions	1	–181	–2,034
Total adjustment	**50,778**	**45,860**	**180,329**
Change in net working capital [2]:			
Change in trade and other receivables	5,550	1,489	–27,678
Change in inventories	–1,424	–3,477	–8,772
Change in trade and other payables	–16,478	–26,539	–8,649
Change in net working capital	**–12,352**	**–28,528**	**–45,100**

Notes are an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

EUR in thousands	Share capital	Reserve for invested unrestricted equity	Treasury shares	Retained earnings	Total equity
1 January 2018	**72,702**	**653,056**	**–4 055**	**–75,619**	**646,085**
Comprehensive income					
Net result for the period				102,234	102,234
Other comprehensive income					
Total other comprehensive income, net of tax				249	249
Total comprehensive income	**–**	**–**	**–**	**102,483**	**102,483**
Transactions with owners					
Reclassification		–62,420		62,420	–
Share-based payments			1,250	285	1,535
Dividends relating to 2017				–60,776	–60,776
Capital payment		–84,557			–84,557
Total contribution by and distributions to owners	**–**	**–146,977**	**1,250**	**1,930**	**–143,797**
31 December 2018	**72,702**	**506,079**	**–2,806**	**28,794**	**604,770**
1 January 2019	**72,702**	**506,079**	**–2,806**	**28,794**	**604,770**
Comprehensive income					
Net result for the period				25,286	25,286
Other comprehensive income					
Total other comprehensive income, net of tax					
Total comprehensive income	**–**	**–**	**–**	**25,286**	**25,286**
Transactions with owners					
Share-based payments			1,078	–112	965
Dividends relating to 2018				–145,400	–145,400
Total contribution by and distributions to owners	**–**	**–**	**1,078**	**–145,513**	**–144,435**
31 March 2019	**72,702**	**506,079**	**–1,728**	**–91,433**	**485,621**

Notes are an integral part of the consolidated financial statements.

Notes

1 Accounting principles

This Interim Financial Report has been prepared in accordance with IFRS regulations and measurement principles and complies with the requirements of the IAS 34 standard. The information has been prepared in accordance with International Financial Reporting Standards, as approved for application throughout the European Union. The accounting principles are identical to those applied to the Financial Statements of 31 December 2018 with the exception of new and amended standards effective as of 1 January 2019. This report should be read in connection with the 2018 Financial Statements. The information presented in the report is unaudited.

The following new standard have been adopted as of 1 January 2019:

On 13 January 2016, IASB published IFRS 16 Leases, effective for the financial period beginning on 1 January 2019. The changes introduced by the standard to the recognition, valuation and presentation of leases mainly apply to accounting by lessees. For lessors, the accounting of leases remains mostly as is. The lessor continues to classify its leases as operating or finance leases in accordance with almost the same principles as in IAS 17 Leases. DNA adopted IFRS 16 on the effective date of 1 January 2019 using the modified retrospective transition method, and in accordance with the IFRS 16 transition guidance, comparative information will not be restated. The changes in the reclassification and recognition of agreements resulting from the standard have been entered in the opening balance sheet of 1 January 2019.

The standard is applied to leases previously identified as leases under IAS 17 Leases and IFRIC 4 Determining Whether an Arrangement Contains a Lease. In the adoption of IFRS 16, right-of-use assets have been recognised to reflect the amount corresponding to the discounted lease liability. The average weighted discount rate for lease liabilities was 2.2% on 1 January 2019.

The Group applies practical relief regarding short-term agreements. IFRS 16 is not applied to leases with a lease term of 12 months or less. Short-term agreements are recognised as an expense in the income statement and included in the notes to the financial statements.

DNA Plc mostly acts as a lessee. The Group enters into agreements to lease office premises, equipment facilities and aerial sites in particular. According to current accounting practices, they are classified as operating lease agreements. For office premises, the average lease period is 2 to 5 years and for equipment facilities 4 to 7 years. Due to the nature of leases, the Group currently estimates that the most essential impacts of the adoption of the IFRS 16 standard will be related to leased premises and equipment spaces. In addition, the Group has individual major agreements related to technology which have an essential impact on the assets and liabilities on the balance sheet. The Group subleases some premises, the leases of which are reported as operating leases. The agreements are recognised as a right-of-use asset and lease liability in accordance with IFRS 16. Proceeds from the leasing of the assets are presented in the notes to the financial statements. Impairment testing will be carried out where necessary if there is any indication in the reassessment of the agreements.

The relevant estimates and discretionary factors in the application of the standard are mainly related to the assessment of the lease period and to the determination of the discount rate used. The discount rate is determined by using the additional borrowing rate and adjusted quarterly. Leases may include options for continuation or termination. At the Group's discretion, options will not be taken into account in the assessment of the lease period unless the use of the option is reasonably certain. No residual value guarantees are included in the leases.

Maintenance rents or other use-based payments included in leases will be specified if they are relevant and can be reliably separated from the agreement. After consideration, DNA will not otherwise separate non-lease components from associated lease components and will report lease components and non-lease components as a single lease component. Leases that do not meet the definition of IFRS 16 are recognised as an expense during the duration of the agreement.

2 Revenue

The group revenue consists of income from contracts with customers. The Consumer segment revenue in Q1 2019 was EUR 173.6 million and the Corporate segment revenue was EUR 55.3 million. Segment revenue is derived from the transfer of goods and services in the following product lines over time and at a point in time :

1 Jan–31 Mar 2019

EUR in thousands	Mobile Service Revenue	Mobile Equipment	Mobile interconnection and Inbound Roaming	Fixed non-voice	Fixed Voice	Total
Timing of revenue recognition						
Point in time	–	33,303	–	3,828	249	37,380
Over time	118,268	–	10,895	56,728	5,612	191,503
Total	**118,268**	**33,303**	**10,895**	**60,556**	**5,861**	**228,883**

1 Jan–31 Mar 2018

EUR in thousands	Mobile Service Revenue	Mobile Equipment	Mobile interconnection and Inbound Roaming	Fixed non-voice	Fixed Voice	Total
Timing of revenue recognition						
Point in time	–	28,439	–	2,548	8	30,995
Over time	112,150	–	12,997	59,412	6,792	191,351
Total	**112,150**	**28,439**	**12,997**	**61,960**	**6,800**	**222,346**

1 Jan–31 Dec 2018

EUR in thousands	Mobile Service Revenue	Mobile Equipment	Mobile interconnection and Inbound Roaming	Fixed non-voice	Fixed Voice	Total
Timing of revenue recognition						
Point in time	–	133,646	–	12,877	81	146,604
Over time	454,427	–	51,495	235,269	23,964	765,155
Total	**454,427**	**133,646**	**51,495**	**248,146**	**24,045**	**911,758**

Mobile communication services comprise service revenue, mobile network voice services, mobile broadband services, M2M services and mobile virtual network operator (MVNO) services. Mobile device revenue comprises the sales of mobile devices such as mobile phones, tablets and dongles. Mobile interconnection and roaming revenue comprises interconnection revenue, which DNA receives for calls made by other operators' clients to DNA's network, and roaming revenue, which DNA receives from other operators for calls made by foreign mobile operators' subscribers in Finland. Fixed-network revenue for services other than voice services comprises fixed broadband and data services, TV and video services, corporate network value added services as well as the sales of network equipment (e.g. PBX and LAN/WLAN equipment). Fixed-network voice services include all fixed-network voice services and related devices.

3 Segment information

1 Jan–31 Mar 2019

EUR in thousands Business segments	Consumer segment	Corporate segment	Unallocated	Group total
Net sales	**173,579**	**55,305**		**228,883**
EBITDA	**57,554**	**18,505**		**76,059**
Depreciation, amortisation and impairments	26,475	14,775		41,250
Operating result, EBIT	**31,079**	**3,731**		**34,809**
Net finance items			−2,640	−2,640
Share of associates' results				0
Net result before income tax				32,169
Net result for the period				**25,286**
Capital expenditure*	18,315	13,818	–	32,133
Employees at end of period	902	703	–	1,605

1 Jan–31 Mar 2018

EUR in thousands Business segments	Consumer segment	Corporate segment	Unallocated	Group total
Net sales	**165,230**	**57,116**		**222,346**
EBITDA	**53,394**	**17,256**		**70,651**
Depreciation, amortisation and impairments	23,069	12,345		35,414
Operating result, EBIT	**30,325**	**4,912**		**35,236**
Net finance items			−4,626	−4,626
Share of associates' results			6	6
Net result before income tax				30,617
Net result for the period				**24,448**
Capital expenditure*	13,349	6,542	–	19,891
Employees at end of period	936	663	–	1,599

* Capital expenditure comprises additions to intangible and tangible assets, excluding business combinations and additions relating to decommissioning obligations. Additionnally, capital expenditure includes capitalised spectrum license payments made during the reporting period.

1 Jan–31 Dec 2018

EUR in thousands Business segments	Consumer segment	Corporate segment	Unallocated	Group total
Net sales	**684,919**	**226,838**		**911,758**
EBITDA	**218,764**	**66,156**		**284,921**
Depreciation, amortisation and impairments	95,049	50,974		146,023
Operating result, EBIT	**123,716**	**15,182**		**138,898**
Net finance items			–11,177	–11,177
Share of associates' results			14	14
Net result before income tax				127,736
Net result for the period				**102,234**
Capital expenditure*	92,867	45,404	–	138,271
Employees at end of period	913	677	–	1,590

*Capital expenditure comprises additions to intangible and tangible assets, excluding business combinations and additions relating to decommissioning obligations. Additionnally, capital expenditure includes capitalised spectrum license payments made during the reporting period.

As key figures for business segments, in addition to segment net sales, DNA presents comparable EBITDA and comparable EBIT, which have been adjusted with material items outside of ordinary course of business to improve comparability between periods. DNA's chief operative decision-maker assesses segment performance mainly based on these key figures. Items affecting comparability include essential items such as net gain or losses from business disposals, direct transaction costs related to business acquisitions, impairment of non-current assets, costs for closure of business operations and restructurings, fines or other similar payments, damages as well as costs related to a one time study on the Company's strategic alternatives to grow its shareholder base, costs related to the strategic assessment work of the Board of Directors as well as direct transaction costs of and cost impacts of the listing.

4 Capital expenditure

EUR in thousands	1 Jan–31 Mar 2019	1 Jan–31 Mar 2018	1 Jan–31 Dec 2018
Capital expenditure*			
Intangible assets	**17,669**	10,051	38,753
Property, plant and equipment	**14,464**	9,840	99,518
Total	**32,133**	**19,891**	**138,271**

*Capital expenditure comprises additions to intangible and tangible assets, excluding business combinations and additions relating to decommissioning obligations. Additionnally, capital expenditure includes capitalised spectrum license payments made during the reporting period.

Major individual items included in capital expenditure are 4G network capacity expansion and development, 5G readinessa as well as fibre optic networks and transmission systems.. Major individual intangible items included in capital expenditure are IT systems. Spectrum licence fees for the 700 Mhz and 3.5 GHz bands contributed EUR 8.6 million to capital expenditure.

5 Equity

	Shares outstanding (thousands)	Treasury shares (thousands)	Total number of shares (thousands)	Share capital (EUR in thousands)	Reserve for invested unrestricted equity (EUR in thousands)
1 January 2018	**132,039**	**265**	**132,304**	**72,702**	**653,056**
Share issue	82	−82			
Reclassification					−62,420
Capital payment					−84,557
31 December 2018	**132,121**	**183**	**132,304**	**72,702**	**506,079**
Share issue	61	−61	–	–	–
31 March 2019	**132,182**	**121**	**132,304**	**72,702**	**506,079**

DNA Plc has one type of share. The total number of shares is 132,303,500 (132,303,500). The number of outstanding shares is 132,182,184 (31 December 2018 132,120,711). The shares do not have a nominal value. On 31 March 2019, DNA Plc's share capital amounted to EUR 72,702,226. All issued shares have been paid in full.

Dividends
DNA Plc's Annual General Meeting of 28 March 2019 approved a payment of dividend (EUR 0.70 per share) as well as an additional dividend (EUR 0.40 per share). In total, paid dividends amounted to EUR 1.10 per share. The dividend was paid on 10 April 2019.

Treasury shares
Based on the Board of Directors' decision, DNA Plc has 1 March 2019 transferred 61,473 of the company's treasury shares to persons belonging to the share-based remuneration scheme, Bridge Plan 2018 for the performance period 2018, as settlement in accordance with the plan rules.

After the transfer, DNA holds a total of 121,316 treasury shares.

	Amount
Treasury shares 1 January 2019	**182,789**
1 March 2019 Share issue share-based incentive scheme	−61,473
Treasury shares 31 March 2019	**121,316**

Treasury shares represent 0.09 per cent of the votes.

6 Borrowings

EUR in thousands	31 March 2019	31 March 2018	31 December 2018
Non-current borrowings			
Loans from financial institutions	47,367	19,936	46,154
Bonds	302,251	301,046	301,936
Lease liabilities	67,325	–	–
Total	**416,943**	**320,982**	**348,090**
Current borrowings			
Loans from financial institutions	4,100	35,128	3,846
Bonds	–	39,807	–
Commercial papers	59,985	69,976	49,991
Lease liabilities	15,930	–	–
Total	**80,014**	**144,911**	**53,837**

In February 2019, DNA has signed with European Investment Bank a EUR 40 million loan agreement which complements the EIB funding of a total of EUR 90 million. The loans are to be used primarily for 5G network investments.

In March 2019, DNA has agreed to restructure its long-term credit facilities. A new binding and unsecured credit facility of EUR 150 million for the financing of working capital covers a period of five years and includes two one-year extension options. The credit facility is used for securing the availability of short-term financing in a cost-efficient manner for several years. In addition, DNA has agreed that its domestic commercial paper programme will be raised to EUR 200 million.

7 Net debt

EUR in thousands	31 March 2019	31 March 2018	31 December 2018
Non-current borrowings	**416,943**	320,982	348,090
Current borrowings	**80,014**	144,911	53,837
Total borrowings	**496,957**	465,893	401,927
Less cash and cash equivalents	**27,388**	161,868	22,654
Net debt	**469,569**	**304,025**	**379,273**

Change in net debt	Reported in cash flows from financing activities			
EUR in thousands	**Cash**	**Current borrowings**	**Non-current borrowings**	**Net debt**
1 January 2018	**23,592**	**154,518**	**173,362**	**304,288**
Change in cash	−937			937
Proceeds from borrowings		563,726	296,154	859,880
Repayment of borrowings		−665,123	−113,810	−778,932
Other non-cash transactions		715	−7,616	−6,901
31 December 2018	**22,654**	**53,837**	**348,090**	**379,273**
1 January 2019 IFRS 16 standard		14,775	67,329	82,104
Change in cash	4,734			−4,734
Proceeds from borrowings		185,592	−10	185,582
Repayment of borrowings		−179,972		−179,972
Other non-cash transactions		5,781	1,534	7,315
31 March 2019	**27,388**	**80,014**	**416,943**	**469,569**

8 Provisions

EUR in thousands	1 January 2018	Additions	Provisions used	Other/Discount effect	31 March 2019
Asset retirement obligation	4,788	0	–	–	4,789
Restructuring provisions	97	–	–	–	97
Other provision	208	–	–	–	208
Total	**5,094**				**5,094**

Asset retirement obligation
The asset retirement obligation provision comprise the estimated dismantling and demolition costs of data centres, masts and telephone poles. The asset retirement period for telephone poles is estimated at 15 years, and 25 years for data centres and masts. Realising the dismantling and demolition costs do not involve any significant uncertainties.

9 Related party transactions

DNA's related parties include the main shareholders (Finda Oy, Finda Telecoms Oy, PHP Holding Oy) 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 idenfitied as related party.

The following related party transactions were carried out:

Jan–Mar 2019

EUR in thousands	Organisations exercising significant influence	Associated companies
Sales	5	–
Purchases	462	115
Receivables	2	–
Liabilities	178	2

Jan–Mar 2018

EUR in thousands	Organisations exercising significant influence	Associated companies
Sales	4	–
Purchases	678	130
Receivables	3	–
Liabilities	216	12

Jan–Dec 2018

EUR in thousands	Organisations exercising significant influence	Associated companies
Sales	21	–
Purchases	2,759	465
Receivables	2	–
Liabilities	354	2

10 Share-based payments

Long-term share-based incentive scheme for senior management and other key employees

DNA's Board of Directors decides to continue the long-term incentive plans for senior executives and other key employees. DNA has a Performance Share Plan (PSP) for senior executives and other key employees. The PSP consists of three separate three-year performance periods; 2017–2019, 2018–2020 and 2019–2021.

The purpose of the long-term incentive system is to harmonise shareholders' and senior executives' goals in order to increase DNA's value, and to commit executives and other key employees to DNA by offering them a competitive, long-term reward plan in the company.

The system mainly consists of a Performance Share Plan (PSP), which is complemented by a separate share-based Bridge Plan. In addition, DNA has a Restricted Share Plan (RSP).

The Performance Share Plan

The Performance Share Plan consists of separate, share-based reward programmes that begin annually. Each programme has a three-year vesting period. The start of each new programme requires a separate decision by the Board of Directors.

The first programme (PSP 2017) started at the beginning of 2017. Any share-based rewards earned through it will be paid in the spring of 2020, if the performance targets set by the Board of Directors are reached.

The first programme will be built on the following performance targets: DNA's total shareholder return (TSR) compared to a peer group over the period 2017–2019, and DNA's cumulative cash flow in 2017–2019. The first programme has about 50 participants, and the maximum number of shares to be handed out will be 471,000 (gross amount from which applicable withholding tax will be deduced, and the remaining net amount will be paid as shares).

The second programme PSP 2018–2020 started at the beginning of 2018. Any share-based rewards earned through it will be paid in the spring of 2021, if the performance targets set by the Board of Directors are achieved. The performance targets applied to the programme are DNA's total shareholder return (TSR) compared to a peer group over the period 2018–2020, and DNA's cumulative cash flow in 2018–2020. The programme has around 50 participants, and the maximum number of shares to be distributed will be 372,600 (the gross amount from which the applicable withholding tax will be deduced, and the remaining net amount will be paid as shares).

The programme PSP 2019–2021 starts at the beginning of 2019. Any share-based rewards earned through it will be paid in the spring of 2022. The performance targets applied to the programme are DNA's EBITDA development over the period 2019–2021 and DNA's total shareholder return compared to a peer group over the period 2019–2021. The programme has around 70 participants, and the maximum number of shares to be distributed will be 382,158 (the gross amount from which the applicable withholding tax will be deduced, and the remaining net amount will be paid as shares).

The Bridge Plan

The Bridge Plan for the transition period consists of two, three-year-long share-based reward programmes. These programmes have a year-long vesting period and a two-year restriction period. The first programme began in 2017. Share-based rewards based on the 2017 programme were handed out in the spring of 2018, because the performance targets set by the Board of Directors were reached (EBITDA and EBITDA margin among others). Shares received as a reward cannot be transferred during a two-year restriction period after the vesting period.

The performance targets applicable to the share-based reward system during the transition period are based on DNA's key strategic objectives for the vesting periods in question. The first programme has about 50 participants, and the maximum number of shares to be handed out will be 157,300 (gross amount from which applicable withholding tax will be deducted, and the remaining net amount will be paid as shares).

The performance targets applicable to the share-based reward programme, the Bridge Plan 2018, which began in January 2018, are based on DNA's key strategic objectives for the vesting period in question. Share-based rewards based on the 2018 programme were handed out in the spring of 2019, because the performance targets set by the Board of Directors were reached (EBITDA and EBITDA margin among others). Shares received as a reward cannot be transferred during a two-year restriction period after the vesting period. The programme has around 50 participants, and the maximum number of shares to be handed out will be 115,900 (gross amount from which applicable withholding tax will be deduced, and the remaining net amount will be paid as shares). Shares received as a reward cannot be transferred during the two-year restriction period after the vesting period.

The restricted share-based reward system

The restricted share-based reward system can be used as a complementary tool for committing employees in specific situations, such as during acquisitions and recruitment. The Restricted Share Plan consists of share-based incentive programmes that begin every year. Rewards have not yet been awarded in the share-based reward system. Each program consists of a three-year restriction period, after which the shares allocated in the beginning of each respective programme are paid to the participants, provided that their employment DNA continues until the payment of the rewards. The start of each new programme requires a separate decision by the Board of Directors.

The RSP 2018–2020 share-based reward programme began in early 2018, and the rewards earned will be distributed in the spring of 2021. The RSP typically applies to only a few individuals per year. The maximum number of shares to be distributed under the programme will be 45,000 (gross amount from which applicable withholding tax will be deduced, and the remaining net amount will be paid as shares).

Share-based reward plan	PSP 2019–2021	PSP 2018–2020	Bridge plan 2018	PSP 2017–2019	Bridge plan 2017
Grant date	30 January 2019	17 January 2018	17 January 2018	15 February 2017	15 February 2017
Maximum number of shares	382,158	372,600	115,900	471,000	157,300
Fair value of the reward at grant date	9.66	6.12		6.28	
Share price at grant date	18.39	15.07	15.07	11.36	11.36
Valid until	31 December 2021	31 December 2020	31 December 2020	31 December 2019	31 December 2019
Expected volatility of share prices		19%		23%	
Expected dividends		3.12		0.63–0.75	
Risk-free interest rate		−0,29%		−0.82%–0.74%	
Expected life	3 years	3 years	3 years	3 years	3 years
Implementation	As shares and cash	As shares and cash	As shares and cash	As shares and cash	As shares and cash

The fair value of the PSP 2017–2019 reward at grant date was 6,28. The fair value of the PSP 2018–2020 awared at grant date was 6,12. The fair value at grant date was valued using a Monte Carlo simulation model, taking into account share price at grant date, Volume Weighted Average Price (VWAP), expected dividends, risk-free interest rates, expected volatility of share prices, as well as correlation coefficients.

Based on the Board of Directors' decision, DNA Plc has on 1 March 2019 transferred 61,473 of the company's treasury shares to persons belonging to the share-based remuneration scheme, Bridge Plan 2018 for the performance period 2018, as settlement in accordance with the plan rules. Withholding tax of EUR 0.7 million was deduced from the gross amount.

Based on the Board of Directors' decision, DNA Plc has on 1 March 2018 transferred 82,028 of the company's treasury shares to persons belonging to the share-based remuneration scheme, Bridge Plan 2017 for the performance period 2017, as settlement in accordance with the plan rules. Withholding tax of EUR 1.1 million was deduced from the gross amount.

Share-Based payments

EUR in thousands Expense recorded in the income statement	Jan–Mar 2019	Jan–Mar 2018	Jan–Dec 2018
Share-based payments	995	677	2,719

Matching shares plan of DNA personnel

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 500 euros 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. The Board of Directors of DNA will decide annually on possible new saving periods and their terms.

11 Business combinations

DNA Plc acquired the entire capital stock of European Mobile Operator Oy and Moi Mobiili Oy on 11 January 2019. European Mobile Operator Oy's wholly-owned subsidiary Moi Mobiili Oy provides mobile services to private and corporate customers. It has operated since 2016 as a service operator in the DNA mobile network. The acquisition is a natural continuation in implementing DNA's growth strategy.

The purchase price was paid in cash. The fair value assessment of the transferred assets and liabilities has not yet been made. At 31 March 2019 transferred assets and liabilities were preliminary recorded at book value.

EUR million	Book value at acquisition date
Intangible assets	7.8
Accounts receivable and other receivables	0.9
Cash and cash equivalents	0.0
Total assets	**8.7**
Borrowings	1.8
Trade and other payables	2.0
Total liabilities	**3.8**
Net assets	**4.9**
Total consideration transferred	15.4
Goodwill	10.5

Direct costs of EUR 0.3 million were recorded as other operating expenses.
The acquired subsidiaries' net sales since acquisition was EUR 2.3 million.
As the acquisition took place 11 January 2019 the group's net sales and result would have been on the same level year to date.

12 Changes in accounting policy IFRS 16

At the intial application of January 1,2019 all right-of -use assets, with the exception of prepaid assets, will be recorded with an equivalent value recorded for the related lease liabilities. As a result, the Group's non-current assets and non-current liabilities increase.

Consolidated statement of financial position

EUR in thousands	31 December 2018	Changes in accounting policy IFRS 16	Adjusted 1 January 2019
ASSETS			
Non-current assets			
Goodwill	327,206	–	327,206
Other intangible assets	191,783	–	191,783
Property, plant and equipment	412,550	–	412,550
Right-of-use assets	–	84,439	84,439
Investments in associates	1,209	–	1,209
Other investments	117	–	117
Trade and other receivables	76,026	−2,467	73,559
Deferred tax assets	7,691	–	7,691
Total non-current assets	**1,016,582**	**81,972**	**1,098,554**
Current assets			
Inventories	31,681	–	31,681
Trade and other receivables	201,037	–	201,037
Other current receivables	1,439	–	1,439
Accruals	42,148	−358	41,790
Cash and cash equivalents	22,654	–	22,654
Total current assets	**298,960**	**−358**	**298,602**
Total assets	**1,315,541**	**81,614**	**1,397,155**
Equity			
Equity attributable to owners of the parent			
Total equity	**604,770**	**–**	**604,770**

12 Changes in accounting policy IFRS 16

EUR in thousands	31 December 2018	Changes in accounting policy IFRS 16	Adjusted 1 January 2019
LIABILITIES			
Non-current liabilities			
Borrowings	348,090	–	348,090
Lease liabilities	–	67,329	67,329
Employment benefit obligations	1,714	–	1,714
Provisions	5,307	−422	4,885
Deferred tax liabilities	34,825	–	34,825
Other non-current liabilities	34,978	–	34,978
Total non-current liabilities	**424,914**	**66,907**	**491,821**
Current liabilities			
Borrowings	53,837	–	53,837
Lease **liabilities**		14,775	
Provisions	277	−68	208
Trade and other payables	226,687	–	226,687
Income tax liabilities	5,056	–	5,056
Total current liabilities	**285,857**	**14,707**	**300,564**
Total equity and liabilities	**1,315,541**	**81,614**	**1,397,155**

Consolidated income statement

Other operating expenses decrease as leases are now disclosed as depreciation and interest expense. Additionnally, deferred tax is recognised in the income tax expense.

EUR in thousands	1.1.–31.3.2019 excluding IFRS 16	IFRS 16	1.1.–31.3.2019 including IFRS 16
Net sales	**228,883**	**–**	**228,883**
Other operating income	857	–	857
Materials and services	−97,583	–	−97,583
Employee benefit expenses	−27,855	–	−27,855
Depreciation, amortisation and impairments	−36,906	−4,345	−41,250
Other operating expenses	−32,767	4,525	−28,242
Operating result, EBIT	**34,629**	**180**	**34,809**
Finance income	117	–	117
Finance expense	−2,383	−375	−2,758
Share of associates' results	0	–	0
Net result before income tax	**32,364**	**−195**	**32,169**
Income tax expense	−6,824	−59	−6,883
Net result for the period	**25,540**	**−254**	**25,286**
Attributable to:			
Owners of the parent	25,540	−254	25,286

13 Events after the review date

On 9 April 2019, Norwegian telecommunications Group Telenor announced that it will acquire 54% of the shares of DNA Plc. Telenor has signed separate agreements with DNA's two largest shareholders, Finda Telecoms and PHP Holding. Finda Telecoms holds 28.3% and PHP Holding 25.8% of the shares in the company.

The transaction is subject to certain conditions, including the approval by the general meetings of the seller entities and required regulatory approvals. Completion of the transaction will trigger a mandatory public tender offer for the remaining outstanding shares in DNA by Telenor. Telenor has announced that the cash consideration per share to be offered in the mandatory tender offer will be EUR 20.90. Subject to the outcome of the mandatory tender offer, Telenor has announced its intention to keep DNA's listing on the Nasdaq Helsinki stock exchange.

DNA's financial publications and AGM in 2019:

- Half-year financial report (January–June), 19 July 2019
- Interim Report January–September 2019, 22 October 2019

DNA Plc • Läkkisepäntie 21, FI–00620 Helsinki • www.dna.fi/investors