

A high-angle photograph of a man and a woman sitting on a dark rug in a kitchen. The man, wearing a light blue button-down shirt, is leaning over a document on the rug. The woman, wearing a green cardigan over a white shirt, is also looking at the document. In the background, there is a kitchen with wooden cabinets, a stainless steel oven, and a window with a red toy car on the floor. A semi-transparent grey box is overlaid on the image, containing text.

DNA's Interim Report January-September 2019 **DNA's net sales and EBITDA grew strongly**

22 October 2019
Jukka Leinonen, CEO
Timo Karppinen, CFO

Forward looking statement

This presentation contains, or may be deemed to contain, statements that are not historical facts but forward-looking statements. Such forward-looking statements are based on the current plans, estimates and expectations of DNA's management based on information available to it on the date of this presentation. By their nature, forward-looking statements involve risks and uncertainties, because they relate to events and depend on circumstances that may or may not occur in the future. Future results of DNA may vary from the results expressed in, or implied by, the forward-looking statements, possibly to a material degree. DNA undertakes no obligation to update this presentation after the date hereof.

Business review – Jukka Leinonen, CEO

January-September 2019 business review:

- Highlights of Q3 and January-September 2019
- Key operational KPIs and development of subscription base
- DNA's strategic targets and market outlook for 2019

Financial review – Timo Karppinen, CFO

- Key figures' development
- Financial targets and dividend policy



A young man and woman are sitting on the floor in front of a white door, smiling and taking a selfie together. The man is holding a white smartphone. The woman has long brown hair and is wearing a dark blue sweater. The man is wearing a black beanie and a dark blue jacket over a white t-shirt. The background is a white door with a panel design.

Business Review

Jukka Leinonen, CEO

Q3/2019: Net sales increase was fuelled by strong mobile service revenue and mobile device sales



Net sales increased 5.0% and amounted to EUR 238.8 million (227.5)

- Net sales was positively impacted by mobile service revenue* and strong mobile device sales
- Mobile service revenue grew +8.1%, growth came from the good development of the subscription base and average billing per customer
- Mobile device sales grew 10.5% from the reference period



EBITDA increased 9.6%

- Comparable EBITDA was EUR 83.6 million (76.3); 35.0% of net sales (33.5%)
- In the review period, the comparability of EBITDA and operating result were affected by a non-recurring expenses of EUR 4.3 million in relation to the use of expert services in connection to business restructuring as well as the termination of share-based reward systems. The positive development in EBITDA is mostly due to the impact of IFRS 16, growth of service revenue also contributed to it.
- The comparable operating result improved 5.5% and was EUR 41.4 million (39.3), 17.3% of net sales (17.3%).



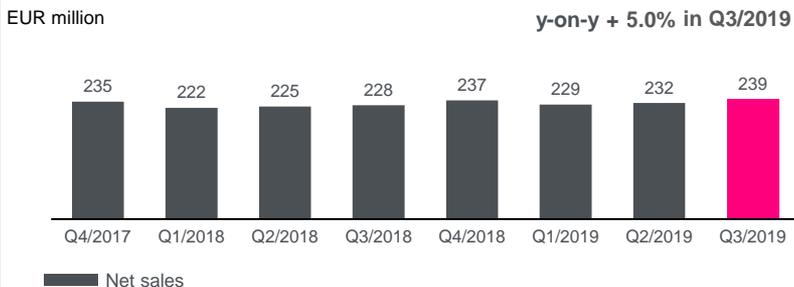
Strong momentum of operational KPI's

- Average revenue per user for mobile communications (ARPU) increased slightly from the reference period and was EUR 18.9 (EUR 18.8)
- CHURN increased slightly and was 16.4% (15.8%)
- Mobile subscription base decreased by 1.2% or 35,000 subscriptions y-on-y; postpaid subscriptions increased by 59,000 y-on-y and prepaid subscriptions decreased by 93,000 subs.
- Fixed network subscription base grew by 77,000 new subscriptions. In addition to good organic growth DNA gained more than 30,000 fixed broadband and almost 25,000 new cable TV customers as a result of the ICT Elmo business acquisition

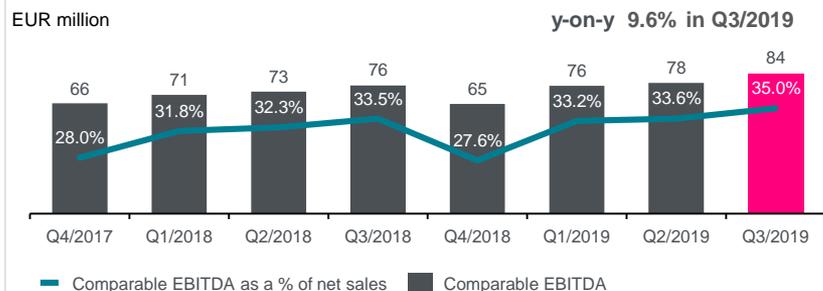
*Mobile service revenue = revenue generated by mobile subscriptions. Consumer and corporate mobile communication and mobile broadband services, corporate M2M services and corporate mobile virtual network operator (MVNO) services.

Q3/2019 – Mobile service revenue increased by +8.1%

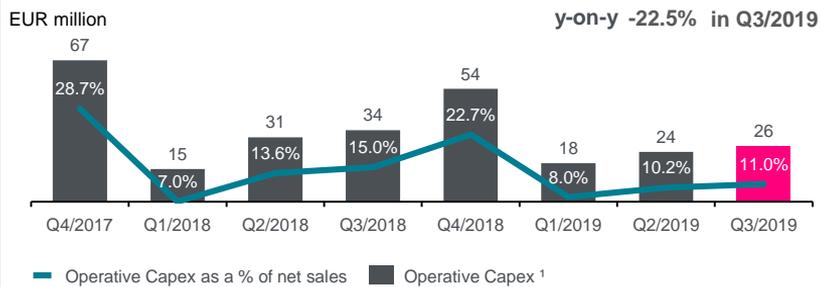
Growth in mobile service revenue (+8.1%) and mobile device sales (+10.5%) boosted quarter's net sales



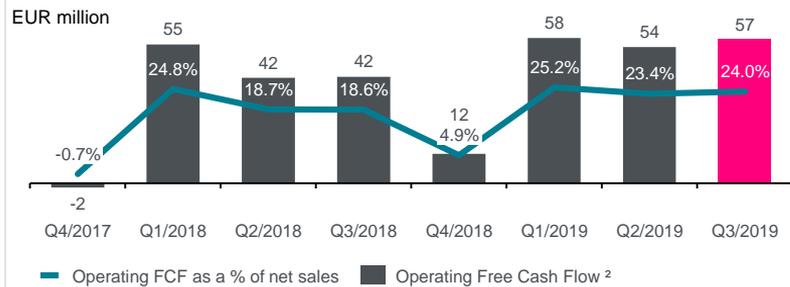
Comparable EBITDA increased 9.6% and margin was 35.0% of net sales



Operative capex¹ decreased 22.5% year-on-year



Operative free cash flow² increased from the reference period



Notes

- Operative capex = investments excluding capitalised spectrum license payments and lease investments (IFRS 16)
- Operating free cash flow defined as EBITDA minus operative capex

January-September 2019: Net sales and EBITDA grew strongly

EUR 699.7
million
+3.7%

Net sales

2,820,000
-35,000

Mobile communications subscriptions
Postpaid subscriptions +59,000

EUR 237.5
million
+8.2%

EBITDA

EUR 362.8
million
+7.2%

Mobile service revenue

EUR 169.2
million
+21.4%

Operative free cash flow

15.8%

Mobile CHURN for postpaid subscriptions

EUR 559.9
million
1.80

Net debt
Net debt/ EBITDA

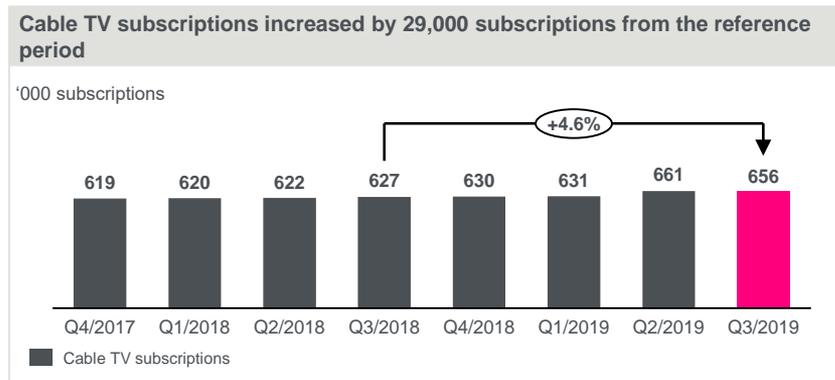
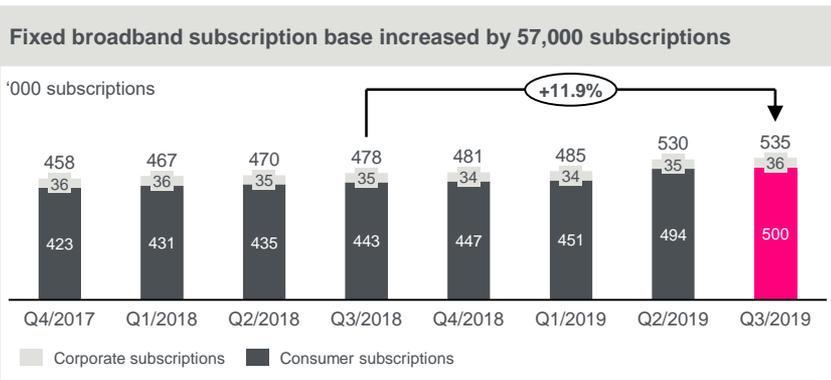
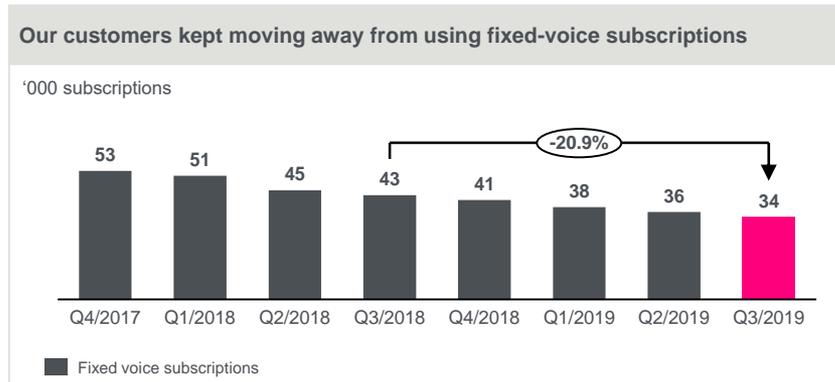
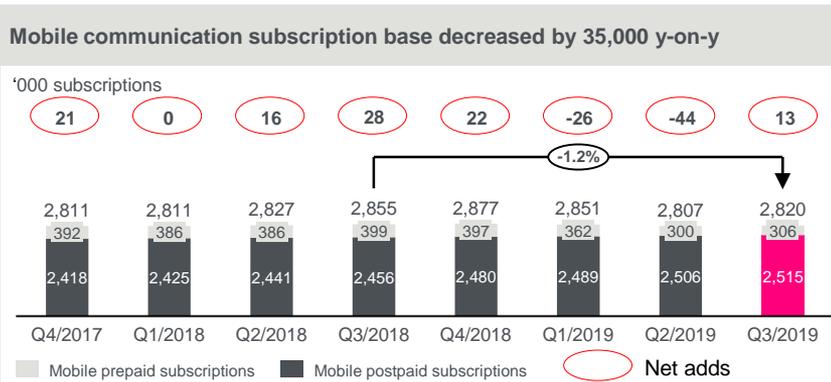
1,191,000
+86,000

Fixed broadband and cable TV subscriptions

Notes
Compared to H1/2018

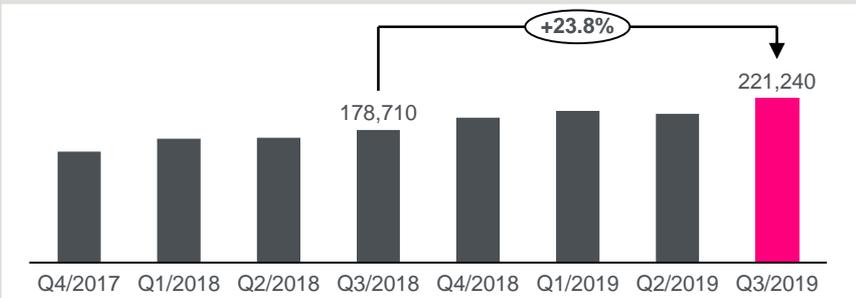
CHURN = Customer turnover rate

DNA's mobile postpaid subscription base continued to increase (+59,000), prepaid subscriptions decreased

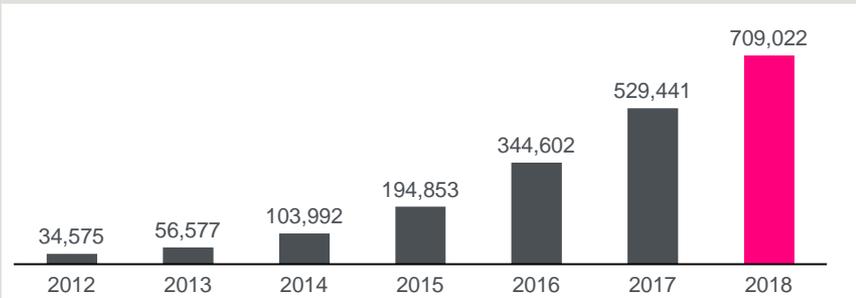


DNA's total mobile data traffic increased about 23.8%

Total mobile data traffic (GB, '000) increased again over 24%



Mobile data traffic (GB, '000)



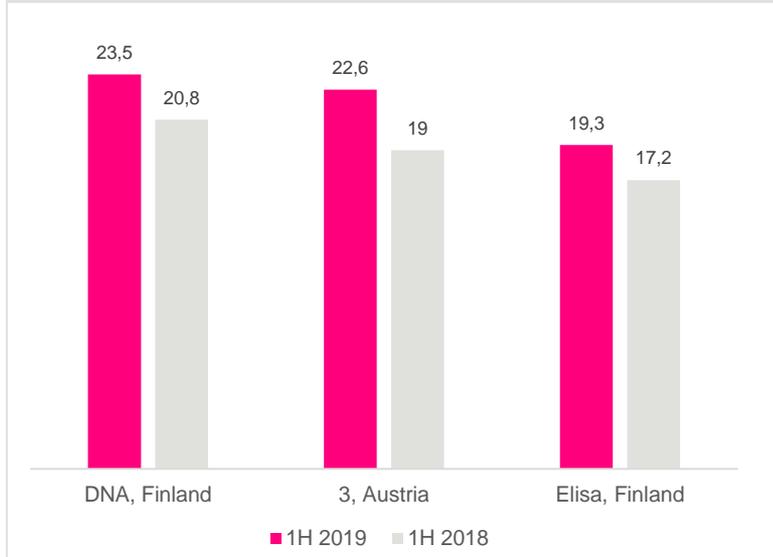
Key highlights in July-September 2019

- DNA's mobile data traffic increased about 23.8% from the reference period
- DNA's mobile data usage per subscription was 26.0 gigabytes/ month
- 5G technology and improved network services will accelerate the use of mobile data further.
- We have continued to prepare our network for 5G deployment and brought 5G-capable technology and increased network capacity for new requirements.

*Tefficient's report: <https://tefficient.com/mobile-data-operators-1h-2019/>
 Tefficient is an international telecommunications specialist providing analysis, benchmarks and consulting services.

DNA's customers are number one for mobile data use per subscription in the world

Mobile data traffic, gigabytes/subscription/month*



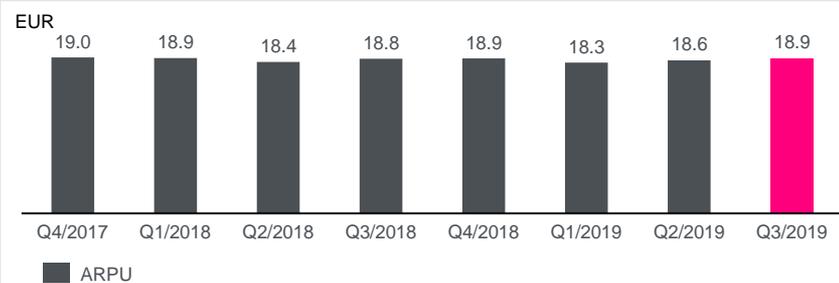
*Source: Tefficient's survey <https://tefficient.com/mobile-data-operators-1h-2019/>
Tefficient is an international telecommunications specialist providing analysis, benchmarks and consulting services.

According to Tefficient, DNA is the world number one for mobile data use per subscription

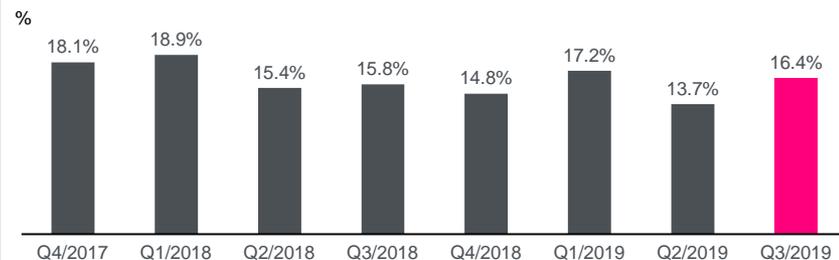
- During the H1/ 2019, DNA's mobile data volume was 23.5 gigabytes per subscription per month (19.8)
 - In practice, this number of gigabytes means either watching some 55 hours of videos or some 18 hours of HD quality video
- The majority of the data transferred via mobile networks arises from the use of a variety of video-based services, such as YouTube and Netflix

The subscription turnover rate (CHURN) was 16.4%

Mobile postpaid ARPU increased compared to the reference period



Mobile communication CHURN (postpaid) decreased and was on a really low level



Notes

1. Share of mobile postpaid handset subscriptions in Consumer business, includes subscriptions with data transfer of 50 megabits per second or more

ARPU = Average revenue per user

CHURN = Subscription turnover rate

Key highlights in July-September 2019

- Demand of 4G subscriptions continued to grow steadily
 - 4G subscription base has increased 10.1%-points year-on-year and its' share of mobile subscriptions was 65.3%¹ (59.6%)
- ARPU increased y-on-y 0.6% and was EUR 18.9 (18.8)
 - Customer billing per subscription increased
 - Even though the number of prepaid subscriptions fell by over 93,000 during the quarter, their ARPU increased by 23.5% to EUR 5.6 (4.5)
- CHURN increased slightly from the reference period and was 16.4% (15.8%)

Telenor's tender offer for the DNA shares

- Telenor Group announced in April that it will acquire DNA's two largest owners', Finda Telecoms Oy and PHP Holding Oy's, shares of DNA Plc, together 54% of shares
- The completion of the Telenor transaction in August, triggered an obligation for Telenor to make a mandatory public tender offer for the remaining outstanding shares in DNA; the cash consideration per share was EUR 20.90
- Offer period ended on 10 October, and the shares tendered during the period represent 43.84% of all shares in DNA. Together with the DNA shares acquired by Telenor before the tender offer, Telenor held 97.87% of all shares in DNA after.
- Due to Telenor's holding exceeding 9/10 of the all shares in DNA, Telenor has announced its intention to commence mandatory redemption proceedings for the remaining shares.
- Transaction has no impact on DNA's operations or customer service



DNA's main events during July-September 2019

DNA agreed on July 2019 to sell its terrestrial TV network pay-TV business to Digita Oy.

- DNA will continue its operations as the leading pay-TV operator in the cable and broadband networks
- The terrestrial TV network pay-TV business will be transferred to Digita on 1 January 2020
- Competition authorities approved the selling on 12 September
- DNA has agreed to continue selling terrestrial pay-TV services through its extensive sales network

DNA's new service Wattinen reduces households' climate emissions.

- Wattinen is aimed at housing companies and their residents, enabling them to save up to 30 per cent on the energy used in heating
- Wattinen is based on self-learning artificial intelligence that continually gathers data on, for example, heat retention, weather forecasts and the property's location



Wattinen

After the review period:

DNA to begin 5G service sales in December

- The service will enable a fast and consistent broadband connection for households.
- The fixed 5G, or the Fixed Wireless Access, enables super fast, low-latency data connections to many homes and properties that are out of the reach of a fibre-optic network
- To begin with, the service will become available for homes in the residential areas of the major cities, but the availability will be quickly extended to new areas.

We are on track to achieve our strategic objectives



The most satisfied customers



Excellent employer



Industry-leading financial development



Faster than average market growth

Market outlook for 2019

The Finnish economy will continue to expand, but growth has passed its cyclical peak. (the Bank of Finland)

We expect the mobile network service market growth to moderate and competition to remain intense for mobile communication services.

The share of 4G subscriptions is expected to grow, but at a more moderate rate. We expect the sales of 5G subscriptions to start towards the end of 2019.

The SMS and voice revenue in the mobile communication network is forecasted to continue decreasing.

Demand for fast broadband and entertainment services is expected to increase driven by the popularity of streaming and on-demand video services.

The demand for traditional pay-TV services is expected to decline.

The demand for Industrial Internet solutions, and subsequently for M2M* subscriptions, is expected to grow. The role of data security gain in importance.

DNA sees fixed wireless broadband access as one of the first application to strongly benefit from 5G technology. More technically advanced 5G devices are expected to the market during 2020.

*Machine to Machine



Financial review

Timo Karppinen, CFO

Positive development in January-September financial KPI's

EUR, million	7-9/2019	7-9/2018	Change %	1-9/2019	1-9/2018	Change %	1-12/2018
Net sales	238.8	227.5	5.0%	699.7	674.8	3.7%	911.8
EBITDA	79.3	76.3	4.0%	233.2	219.5	6.2%	284.9
Comparable EBITDA	83.6	76.3	9.6%	237.5	219.5	8.2%	284.9
% of Net Sales	35.0%	33.5%		33.9%	32.5%		31.2%
Operating Result, EBIT	37.1	39.3	-5.4%	107.6	110.5	-2.6%	138.9
Comparable Operating Result	41.4	39.3	5.5 %	111.9	110.5	1.3 %	138.9
% of Net Sales	17.3%	17.3%		16.0%	16.4%		15.2%
Net Result	28.4	29.6	-4.2%	79.8	81.1	-1.5%	102.2
% of Net Sales	11.9%	13.0%		11.4%	12.0%		11.2%
Operative Capex	26.4	34.0	-22.5%	68.3	80.2	-14.8%	133.9
% of Net Sales	11.0%	15.0%		9.8%	11.9%		14.7%
Operating FCF ¹	57.3	42.3	35.4%	169.2	139.4	21.4%	151.0
Net Debt				559.9	389.3		379.3
Net Debt / EBITDA	1.76	1.28		1.80	1.33		1.33

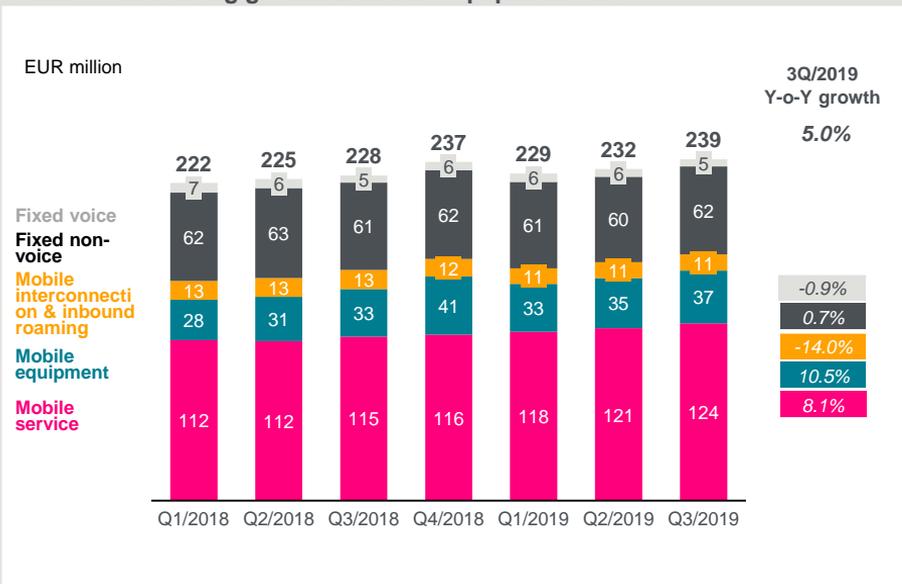


Notes

1. Operating free cash flow defined EBITDA minus operative capex

Q3/2019: Mobile service revenue grew 8.1% from the reference period

Net sales for the quarter were supported by good development in mobile services and strong growth in mobile equipment sales



Key highlights in July-September 2019

- Mobile service revenue grew 8.1% from the reference period
 - The growth was fuelled by an increase in the mobile subscriptions base, and by the positive development in the average billing per customer
 - Average revenue per user (ARPU) was EUR 18.9 (18.8)
- Mobile equipment sales were strong and increased by 10.5%
- Mobile interconnection revenue decreased due to the decrease in interconnection prices effective since December 2018
- Fixed non-voice has been positively impacted by growing demand of broadband
- Revenue from fixed voice continued to decline as expected

Demand for mobile services was strong both in Consumer and Corporate business

Q3/2019: Consumer business

Net sales were EUR 182.7 million (+6.3%)

- + Net sales were driven by the growth in mobile service revenue and mobile device sales
- + Revenue per user (ARPU)¹ remained steady y-on-y and was EUR 20.3 (20.4)

Comparable EBITDA was EUR 63.5 million (+7.4%)

- + EBITDA was improved as a result of IFRS 16, as well as by an increase in mobile service revenue
- Comparability was impacted by a non-recurring expense of EUR 2.5 million

Q3/2019: Corporate business

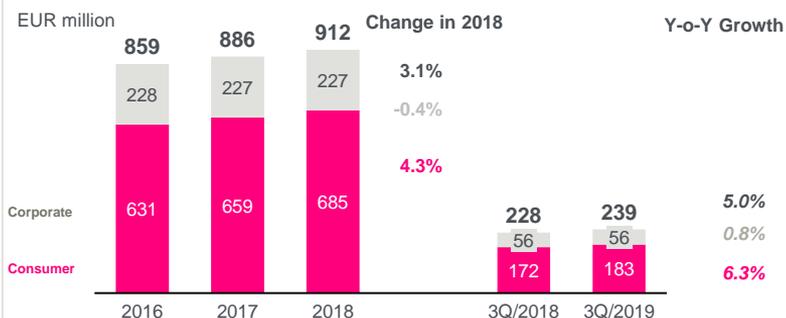
Net sales EUR were 56.1 million (+0.8%)

- + Net sales were positively impacted by good development in mobile service revenue
- + Corporate customers' mobile ARPU increased 4.4% and was EUR 13.9 (13.3)
- Net sales were negatively impacted mainly due to the change in the reporting of Moi Mobiiili (now under consumer business), as well as the decrease in interconnection charges

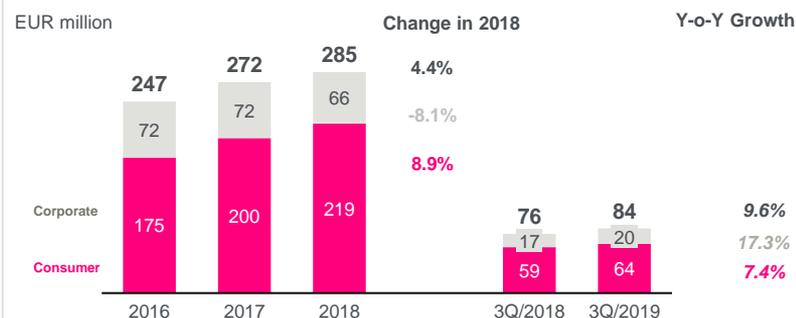
Comparable EBITDA was EUR 20.1 million (+17.3%)

- + EBITDA was improved by a change in calculation method according to IFRS 16 and by the growth in mobile service revenue
- Comparability was impacted by a non-recurring expense of EUR 1.8 million

Consumer and corporate net sales, EUR million



Consumer and corporate comparable EBITDA, EUR million



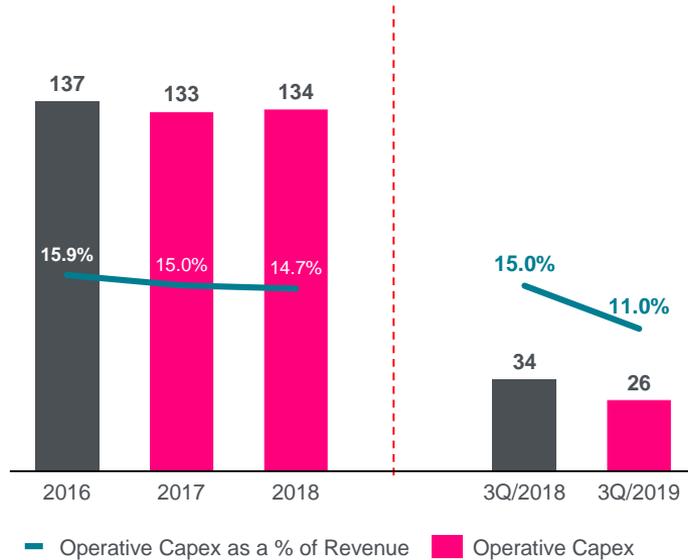
Notes

1. Consumer mobile postpaid handset subscription ARPU

Operative CAPEX was slightly lower compared to the reference period

Operative capex¹ was 11.0% of net sales in July-September

EUR million



Notes

1. Operative capital expenditure is reported capital expenditure excluding cash instalments for spectrum licenses capitalized and lease investments (IFRS 16 impact)

Key highlights in July-September 2019

- Operative capital expenditure was EUR 26.4 million (34.0), or 11.0% of net sales (15.0)
- In 2019, capital expenditure is back-loaded towards the end of the year, and we expect operative capex for the whole year to remain at a similar level as 2018.
- Major individual items included in capital expenditure are 4G network capacity expansion and network development towards 5G, fibre optics networks and transmission systems
- Total capital expenditure include in addition to operative capex lease investments (IFRS 16), which was in 3Q/2019 EUR 27.2 million

Operating free cash flow increased from reference period

Cash flow summary

EUR million	2016	2017	2018	1-9/2019
Comparable EBITDA	247	272	285	238
Operative Capex	(137)	(133)	(134)	(68)
Operating FCF	110	139	151	169
<i>% of net sales</i>	<i>12.8%</i>	<i>15.7%</i>	<i>16.6%</i>	<i>24.2%</i>
<i>Cash Conversion %</i>	<i>44.6%</i>	<i>51.1%</i>	<i>53.0%</i>	<i>71.2%</i>
Interest paid, net	(9)	(9)	(17)	(7)
Income taxes, paid	(5)	(26)	(12)	(22)
Adjusted Change in NWC	(1)	19	(48)	(51)
Change in Provisions	(2)	(5)	(2)	0
FCFE	93	119	72	89
<i>% of net sales</i>	<i>10.8%</i>	<i>13.4%</i>	<i>7.9%</i>	<i>12.8%</i>

Key highlights in January-September 2019

- Operating free cash flow increased 21.4% and was EUR 169.2 million (EUR 139,4 million)
 - + Higher working capital compared to year ago
 - + Lower level of investments
- Free cash flow to equity EUR 89,2 million (in the end of H1/2019: EUR 46,6 million)
 - Changes in working capital had an EUR 25.6 million (-45.4 million) negative impact on cash flow.
 - The increase in working capital was mainly due to a decline in trade payables in comparison to the end of 2018
 - In Q3, working capital grew due to non-recurring items

Low cost capital structure

Weighted average cost of debt decreased: 1.11% (Q2/2019: 1.02%)

	Maturity	Nominal Amount EUR million	Book Value EUR million	Cost of Debt
Unsecured € Bond 1.375% Coupon	Mar-2025	250	243	1.43%
Unsecured € Bond 2.875% Coupon	Mar-2021	60	60	2.93%
Bank Loans and Commercial Paper		201	201	0.18%
Total		511	504	1.11%
Lease liabilities (IFRS16)			77	
Cash & Cash Equivalents			-22	
Net Debt			560	
Net Debt/EBITDA¹			1.80	

DNA's long-term credit rating (09/2019)

Assigned Rating	BBB (S&P)
Outlook	Stable

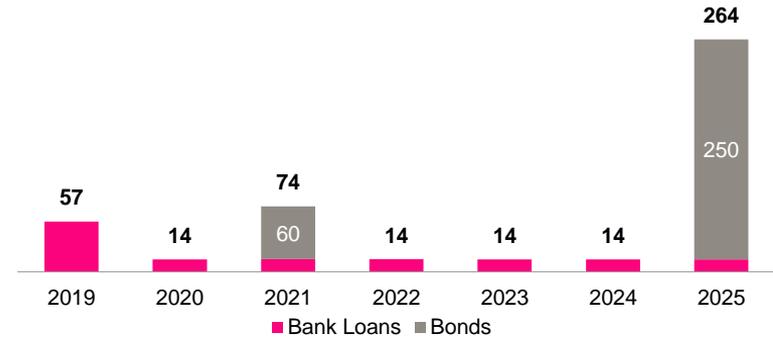
Credit research company Standard & Poor's Global Ratings upgraded DNA's long-term credit rating based on Telenor deal to BBB+ (previously BBB) with Stable outlook. At the same time DNA has been removed from Credit Watch.

Notes

1. Defined as net debt divided by EBITDA from the beginning of year (adjusted)

Debt maturity schedule, EUR million

EUR 150 million fully undrawn revolving credit facility providing additional liquidity and financial flexibility



Financial objectives and dividend policy

DNA raised its guidance for 2019

- Raised guidance from 15 October 2019: DNA's net sales are expected to grow somewhat, and EBITDA 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 EUR 17 million positive impact on EBITDA in 2019. The impact of IFRS 16 on operating result (EBIT) is insignificant.

Mid-term financial targets

- Net sales growth – faster than average market growth
- EBITDA margin of at least 34%, including IFRS16 impact
- Operative capital expenditure¹ less than 15% of sales

Leverage policy

- Net debt/EBITDA less than 2.0
Can be temporarily exceeded in case of potential attractive bolt-on in-market M&A opportunities

Dividend policy

- DNA's goal is to pay a growing dividend or by other means to return capital equalling 80-100% of the net profit for the period. In addition, the Board may consider the distribution of excess profit to shareholders for a specific financial period
- DNA paid a dividend of EUR 0.70 per share and an extra dividend of EUR 0.40 per share from 2018
- In total EUR 1.10 per share, 6.4% payout ratio (as of number of shares and closing price of 31 Dec 2018)

Notes

1. Operative capex is capital expenditure excluding spectrum license payments and lease investments (IFRS16 impact).

Thank you!

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KPI Overview

Mobile KPIs

	2016	2017	2018	3Q/2018	3Q/2019
Mobile Revenue (EUR million)	539	586	640	161	172
Service	375	420	454	115	124
Equipment Sales	111	114	134	33	37
Interconnection & Inbound Roaming	53	52	52	13	11
Mobile Subscriptions (000s)¹	2 742	2 811	2 877	2 855	2 820
Postpaid	2 338	2 418	2 480	2 456	2 515
Prepaid	404	392	397	399	306
Consumer	2 262	2 252	2 287	2 272	2 277
Corporate	480	559	590	583	543
ARPU, Mobile Handset Subscriptions (EUR/month)²					
Postpaid	17.1	18.4	18.7	18.8	18.9
Prepaid	3.8	3.8	3.9	4.5	5.6
Consumer (postpaid)	18.0	19.6	20.3	20.4	20.3
Corporate (postpaid)	13.9	13.8	13.2	13.3	13.9
Annualised Mobile Handset Subscriptions Churn (%)					
Postpaid	16.1%	18.3%	16.2%	15.8%	16.4%

Fixed KPIs

	2016	2017	2018	3Q/2018	3Q/2019
Fixed Revenue (EUR Million)	320	300	272	66	67
Non-Voice Revenues	288	273	248	61	62
Voice Revenues	32	28	24	5	5
Fixed Broadband Subscriptions (000s)	440	458	481	478	535
Consumer	403	423	447	443	500
Corporate	37	36	34	35	36
Fixed Voice Subscriptions (000s)	65	53	41	43	34
Consumer	30	25	21	22	17
Corporate	35	29	20	21	17
Cable-TV Subscriptions (000s)	608	619	630	627	656

Notes

1. Excludes M2M subscriptions
 2. Includes interconnection revenues
- ¹Including IFRS '15