

A photograph of two men in a modern office setting. The man on the left is bald with a beard, wearing a light blue button-down shirt and grey trousers. The man on the right has short brown hair and a beard, wearing a brown sweater over a collared shirt and dark trousers. They are both looking at a smartphone held by the man on the left. The background shows office furniture, including a white lamp and a desk, with a warm, ambient lighting.

DNA Plc Stronger, bolder and more straightforward

DNA Investor presentation
February 2019

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.

DNA in brief

Business review

Q4 and January-December 2018 business review:

- Highlights of the last quarter of 2018 and year 2018
- Key operational KPIs and development of subscription base

Financial review

- Key figures' development

Strategy and outlook

- DNA's strategic targets and market outlook for 2019
- Financial targets and dividend policy

Appendices



A high-angle photograph of two women sitting on a wooden ledge by a window. The woman on the left has long red hair, wears a black beret, glasses, a green sweater, and black and white polka-dot pants. She is smiling and gesturing with her hands. The woman on the right has long brown hair and is wearing a green top. A tablet is on the ledge between them. The floor is checkered, and the view outside the window shows a street with some fallen leaves.

DNA in brief

DNA offers high-quality voice, data and TV services for communication, entertainment and work

DNA is one of the leading Finnish telecommunications groups

- Cost-efficient
- Streamlined
- Agile
- Innovative

OUR VALUES

FAST

DNA's customers receive quick and helpful service

STRAIGHTFORWARD

DNA's approach is clear and responsible

BOLD

We are direct, open-minded and ready for change

Over 4 million

Mobile communications and fixed network subscriptions

EUR 912 million

Net sales in 2018

1,590

At the end of 2018, 1,590 employees working at DNA

Customer

is in the center of DNA's strategy

DNA became a **listed company** on November 2016

TV

Finland's largest cable operator and the leading pay TV provider

EUR 139 million

Operating result in 2018

62 DNA stores

Finland's most extensive retailer of mobile phones, other mobile devices and mobile subscriptions

Strong employee satisfaction

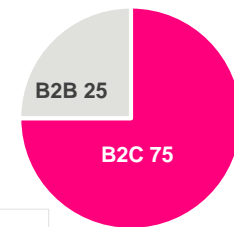
DNA was awarded as the second best workplace in Finland in the category of large organisations

(Great Place to Work® survey)

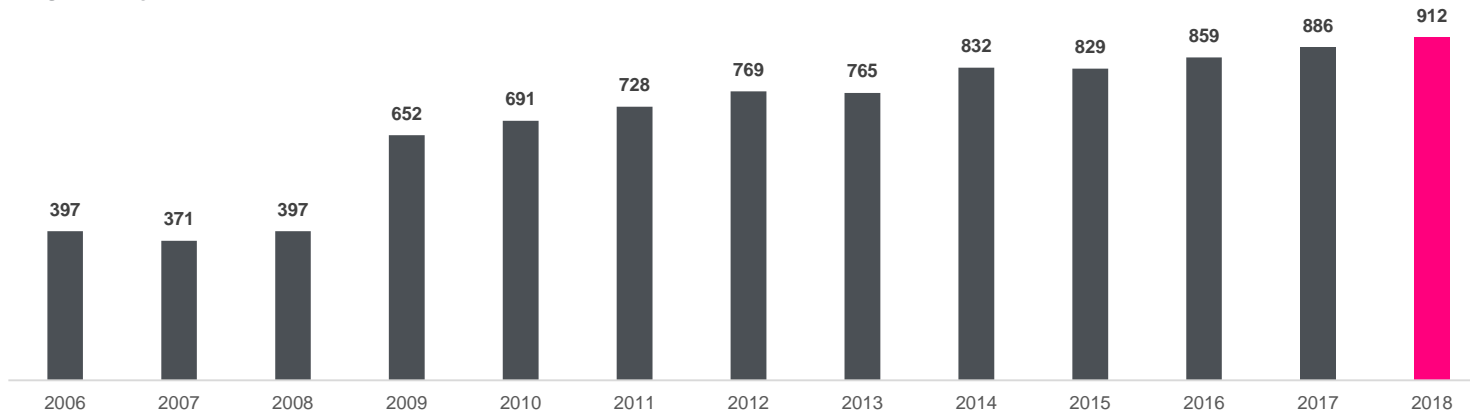


From a mobile start-up to a strong player

– Both B2C and B2B with a challenger mindset



DNA's net sales have increased steadily
EUR million



'01: DNA launches mobile services

'03: DNA acquires Telia Mobile Finland

'07: 6 local fixed line operators merged to DNA

'10: DNA acquires Welho, the leading cable company in Finland

'11: DNA acquires Forte Netservices

'13: DNA acquires PlusTV, the leading pay-TV operator

'14: DNA acquires TDC's Finnish operations & Finnish Shared Networks Ltd is founded

'15: All DNA business operations under a single brand

'16: DNA becomes a listed company

'17: DNA's net sales and operating result reach record levels

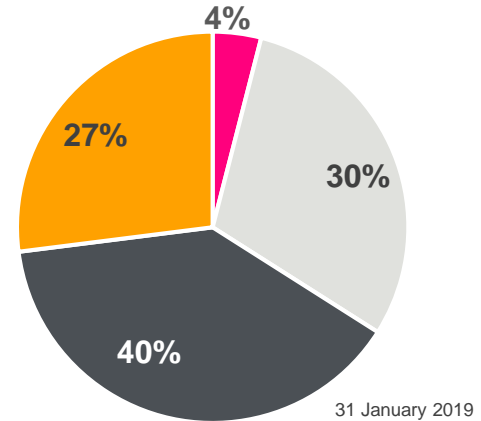
'18: DNA's mobile and fixed network subscriptions reached 4 million subscriptions milestone

DNA had an excellent start as a listed company

- Trading in the DNA share began on the Nasdaq Helsinki Stock Exchange on November 2016
- DNA has today over 14,000 shareholders
- Market cap is EUR ~2.4 billion (31 January 2019)

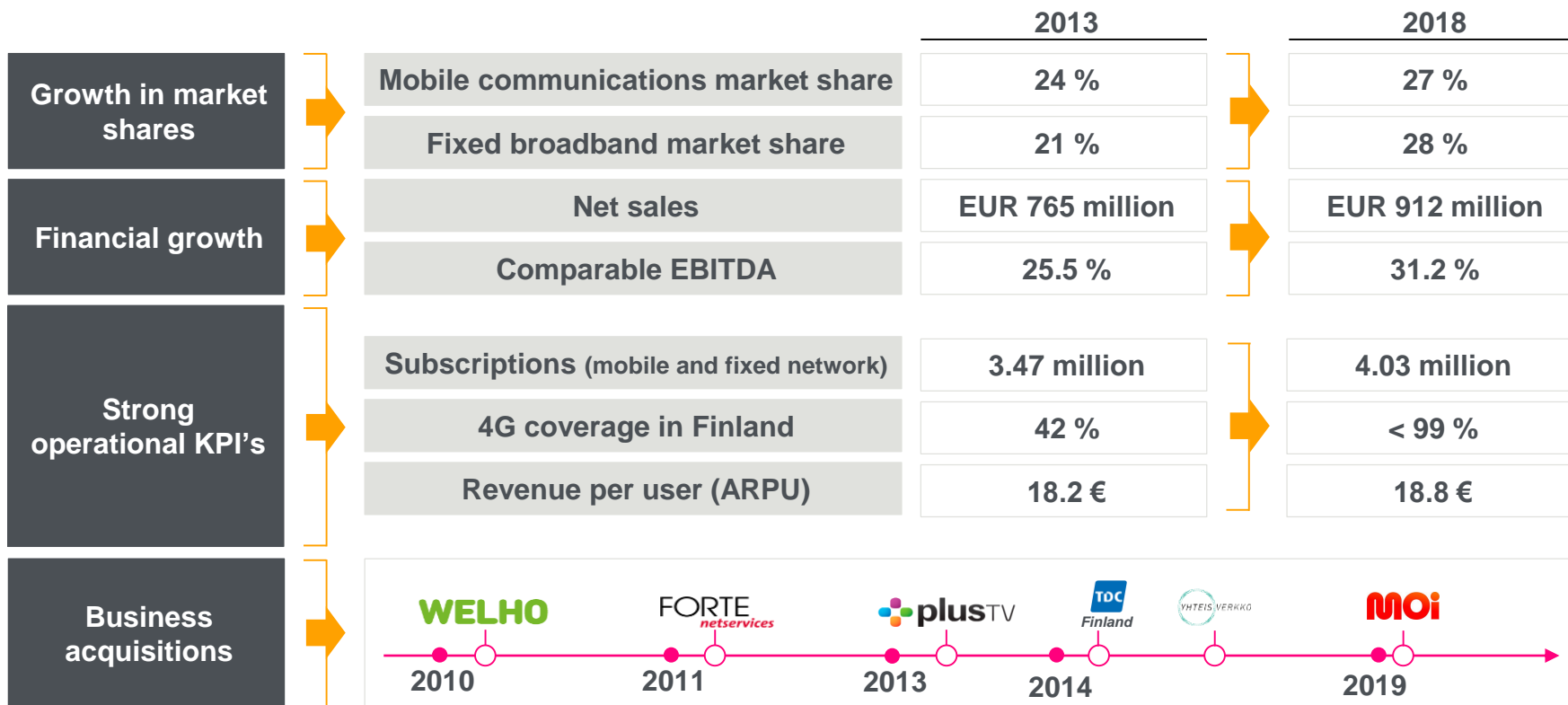
Largest shareholders, 31 January 2019	% of shares
Finda Telecoms Ltd	28.3
PHP Holding Ltd	25.8
Ilmarinen Mutual Pension Insurance Company	3.9
Lohjan Puhelin Ltd	1.7
Elo Pension Company	1.4
Mandatum Life Insurance Company Ltd	1.1
Viria Plc	0.8
The State Pension Fund of Finland	0.7

Ownership structure



- Households
- Financial and insurance institutions
- Other Finnish institutions
- Nominee registered and non-Finnish holders

Strong development in DNA's business



Telecommunications market in transition

Telecommunications industry's service revenue is growing as digital services give a significant boost to the demand for mobile data.

The emerging Industrial Internet applications will further expand the volume of data traffic, providing new kinds of growth opportunities.

Trend 1

The demand for **faster and better-quality connections** is growing at an increasing pace – mobile broadband traffic volumes are fuelled by the growing number of smart phones and other smart devices.

Trend 2

Customers live **increasingly digital lives** and want a seamless experience regardless of the service channel.

Trend 3

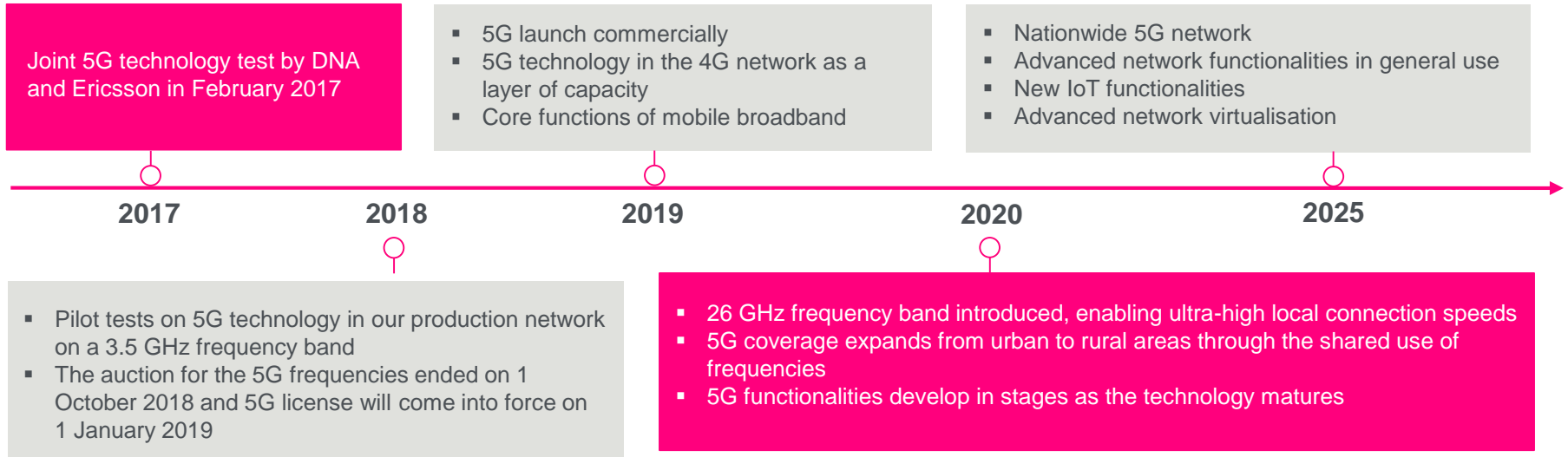
The strong growth of the variety of services and smart devices continues – **the best global services will gain a stronger foothold.**

Trend 4

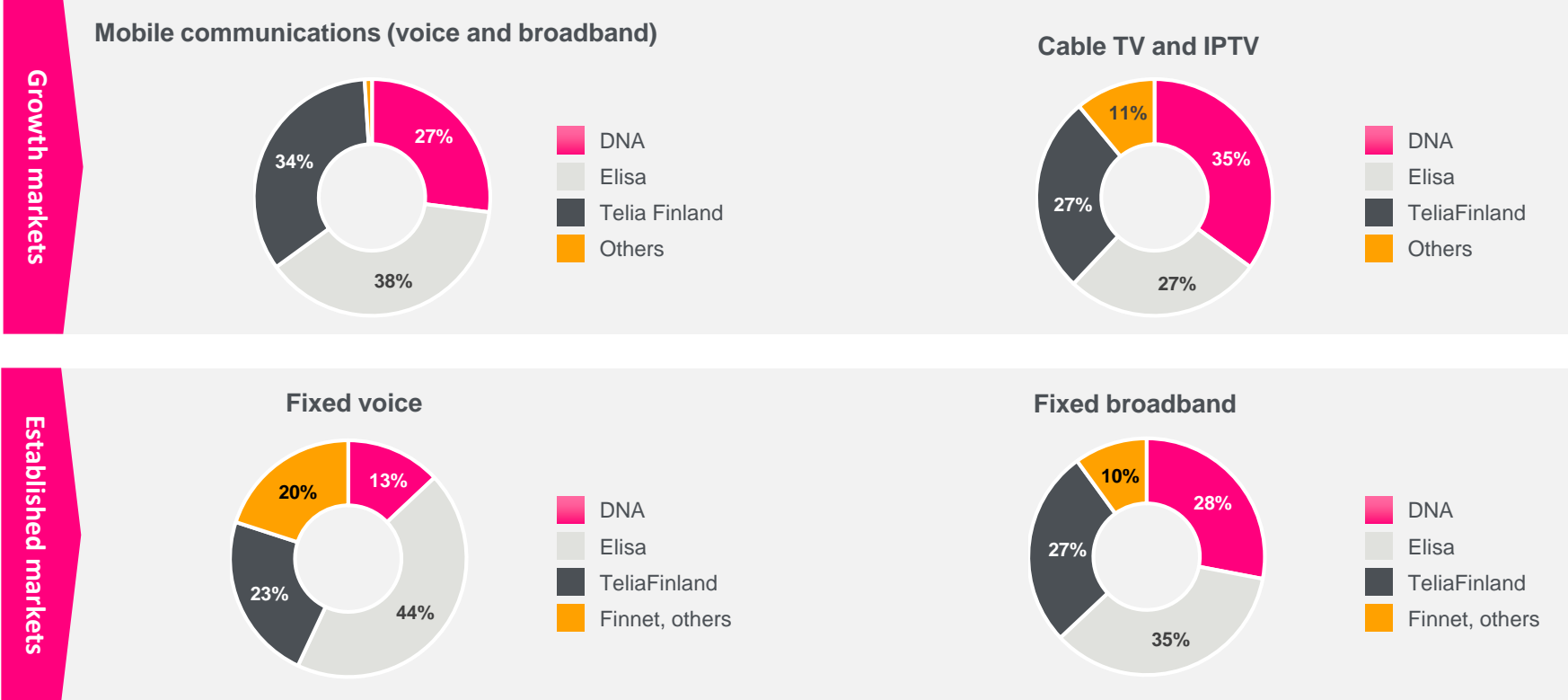
Mobile working, digitisation and the **Internet of Things** will make business more flexible and productive.

DNA wins 5G frequency band – 5G will multiply data transfer speeds

- DNA has been preparing its mobile network for the 5G era since 2016 and 5G services will be provided to customers during next year, enabling connection speeds of over 1 gigabit per second
- On 1st of October DNA won 5G frequency band in the Finnish Communications Regulatory Authority's frequency auction for a price of EUR 21 million
- In first phase, 5G will enable fast and stable connections in many properties that cannot get an optical fibre connection



Strong foothold in the growth markets



DNA's strategy summary

– The cornerstone of DNA's strategy is customer satisfaction

Main assumptions behind our strategy

1 Growing demand for faster, good quality mobile connections accelerates	2 Seamless, multi-channel customer experience and personal customer relationship - digitalization and physical channels unites	3 The best ecosystems and end-customer solutions globally, gets stronger foothold	4 B2B: Mobile work, digitalization, IoT, and centralized ICT sourcing
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Our vision and mission

THE MOST SATISFIED CUSTOMERS

We want to make our customers' lives more inspiring, productive and entertaining. We provide connections, services and devices – in a clear, easy and cost-effective manner.

Aspired differentiation

Customer experience – especially in essential interaction with DNA
 Attitude – Service minded attitude according to our values

Positive memory trace as a goal – in every customer meeting

Our values

Fast – Straightforward – Bold

Our strategic goals

1. The most satisfied consumer and corporate customers
2. Industry-leading financial development
3. Faster than average market growth
4. Becoming one of the most desired employers in Finland

DNA's footprint in society

DNA Value Creation

What We Build On

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

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

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

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

The DNA Way

Offering
Products and services
develop with the customers' needs

Know-how
Skilled workforce enables
high-quality customer experience

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

Our Values
Fast, bold,
straightforward

Our Vision
The most satisfied
customers in the
market

What We Produce

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

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

The DNA Footprint

- Societal**
- Building and developing the infrastructure necessary for the society: 4G networks cover 99.7% of the population, over 3.9 million mobile and fixed network subscriptions
 - Digital connections and devices for consumers' everyday life
 - Improving the competitiveness of corporate customers

- Social**
- Direct and indirect employment: About 1,600 own employees
 - High employee satisfaction: 83% of employees consider DNA a great place to work (Great Place to Work® survey)
 - Family-friendly workplace
 - Development of employees' skills
 - Excellent customer experience

- Economic**
- Profitability: Operating result EUR 124 million
 - Investments: EUR 144 million
 - Earning per share: Dividend payout ratio about 70–90% of free cash flow to equity
 - Salaries and benefits: EUR 111 million
 - Taxes and tax-like payments: EUR 176 million
 - Purchases from suppliers: EUR 507 million

- Environmental**
- Direct and indirect CO₂ emissions: 208,000 tCO₂ (Scope 1, 2 and 3)
 - Development of the network's energy efficiency
 - Reducing customers' CO₂ emissions with DNA solutions
 - Recycling of terminal equipment at DNA Stores

We make sustainable business

Efforts to improve digital inclusion

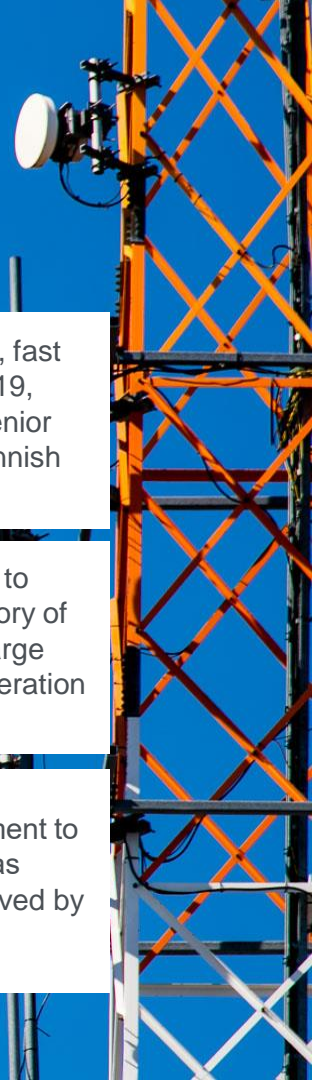
DNA promotes digital inclusion in Finland by investing in a high-quality, extensive network, fast connections, easy-to-use products and services, and an excellent customer service. In 2019, DNA will launch a corporate responsibility programme to tackle digital inequality among senior citizens, children and youth, and disadvantaged families, in cooperation with prominent Finnish charitable organisations.

Record high job satisfaction

DNA aims to be one of the most desired employers in Finland. In 2018, in the Great Place to Work® research, DNA was awarded as the second best workplace in Finland in the category of large organisations. In addition, DNA was the first publicly listed company – and the first large company in Finland – to be recognised as a Family Friendly Workplace by the Family Federation of Finland.

Reducing climate impact

DNA has signed up to Society's Commitment to Sustainable Development with a commitment to reduce the company's climate impact. DNA's objective is to reduce indirect greenhouse gas emissions from the use of energy (Scope 2) by 100% by 2023. The reduction will be achieved by using renewable energy and improving energy efficiency.





Business Review



Tervetuloa
piipahtamaan!

Miten
voimme
palvella?



Q4/2018: Net sales increased, quarter's profitability was decreased due to higher sales and marketing costs

For 2018, as required by the IFRS standards, the graphs and tables contain figures reported according to the IFRS 15 and IFRS 9 standards adopted on 1 January 2018 and, as required by IFRS 15, figures adjusted are disclosed as if they were prepared under 2017 revenue guidance. The comparative analysis in the presentation is disclosed as if the figures were prepared under 2017 revenue guidance.



Net sales increased 1.2% and amounted to EUR 237.5 million (234.6)

- Mobile device sales and mobile service revenue were at a record high level
- Growth in mobile service revenue* +4.6% was due to the growth of the mobile subscription base
- Mobile device sales were up 7.3% from the reference period



Profitability in the last quarter was affected by higher sales and marketing costs

- EBITDA decreased 4.5% and was EUR 62.7 million (65.7); share of net sales was 26.4% (28.0%)
- Sales and marketing costs increased mainly due to the successful actions to secure our current customer base and to increase share of more valuable subscriptions
- The operating result decreased and was EUR 25.1 million (26.9), share of net sales was 10.6% (11.5%)



Strong momentum of operational KPI's

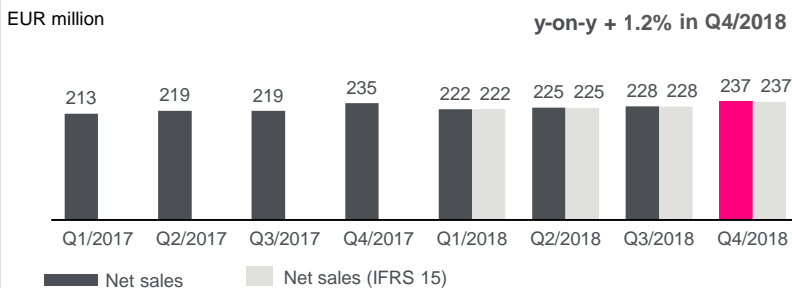
- Revenue per user for mobile communications (ARPU) remained almost at the reference period level; EUR 18.9 (EUR 19.0)
- Efforts to protect DNA's customer base were successful, CHURN decreased and was 14.8% (18.1%)
- Mobile subscription base grew +66 000 y-on-y and was in total 2,877,000. Growth from the end of September 2018 +22 000 subscriptions
- Subscription base for fixed broadband increased by +23,000 and cable-TV subscriptions increased by +11,000

Notes

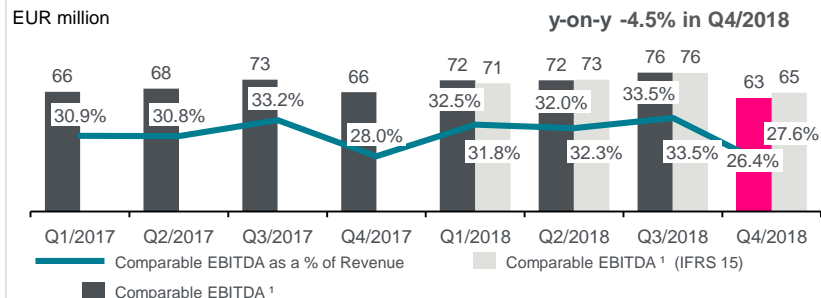
*Mobile service revenue = revenue generated by mobile subscriptions. Consumer and corporate mobile communication and mobile broadband services, corporate M2M services and corporate mobile virtual network operator (MVNO) services.

Q4 2018 – Strong mobile device sales in the last quarter

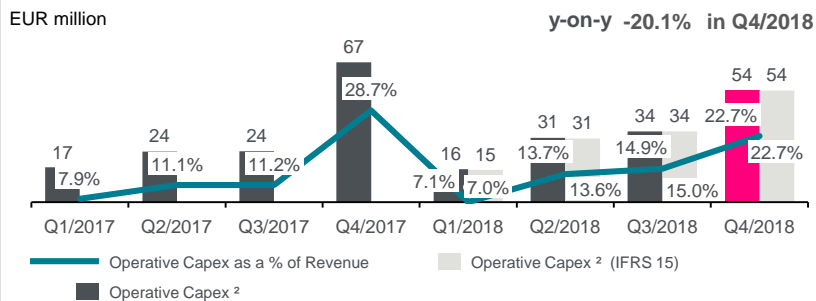
Growth of mobile service revenue (+4.6%) and strong mobile device sales (+7.3%) boosted quarters' net sales



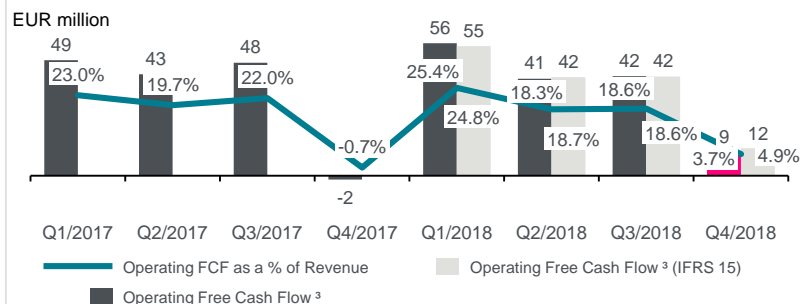
EBITDA¹ declined 4.5% from the reference period and margin was +26.4%



Operative capex² decreased year-on-year, investments were distributed more evenly in 2018



Operative free cash flow³ increased from the reference period



Notes

1. EBITDA excluding items affecting comparability
2. Operative capex excluding spectrum license payments
3. Operating free cash flow defined as comparable EBITDA minus operative capex

January-December 2018: Net sales and profitability record high

**EUR 913.5
million**
+3.1%¹

Net sales

2,877,000
+66 000¹

Mobile communications subscriptions

**EUR 283.6
million**
+4.4%¹

EBITDA

**EUR 447.8
million**
+6.6%

Mobile service revenue

**EUR 149.0
million**
7.3%¹

Operative free cash flow

16.2%

Mobile CHURN for postpaid subscriptions

**EUR 379.3
million**
1.34

Net debt

Net debt/ EBITDA

1,111,000
+34,000¹

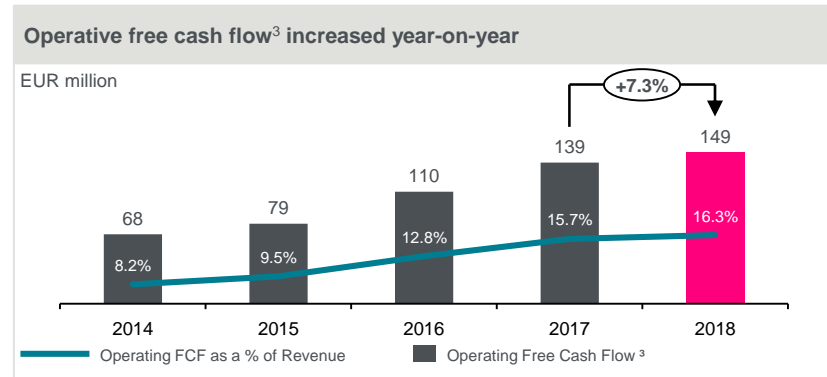
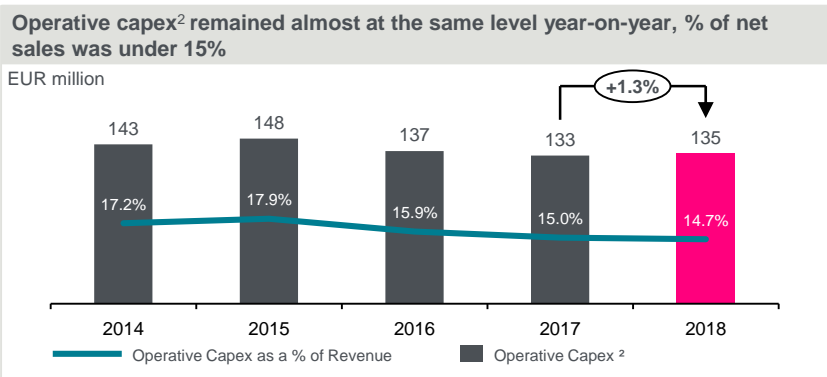
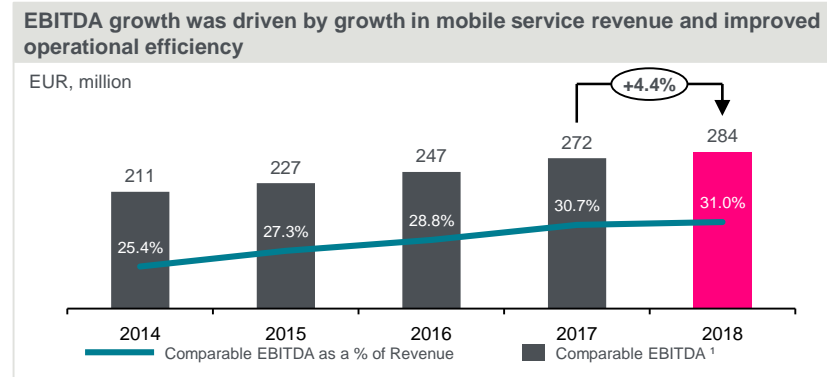
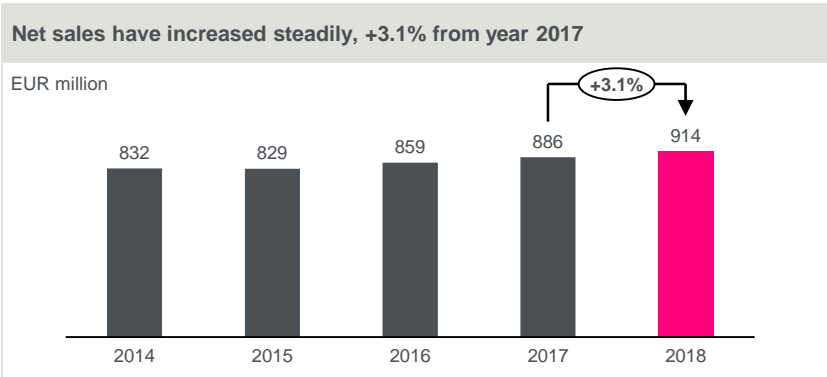
Fixed broadband and cable TV subscriptions

Notes

¹ Compared to January-December 2017

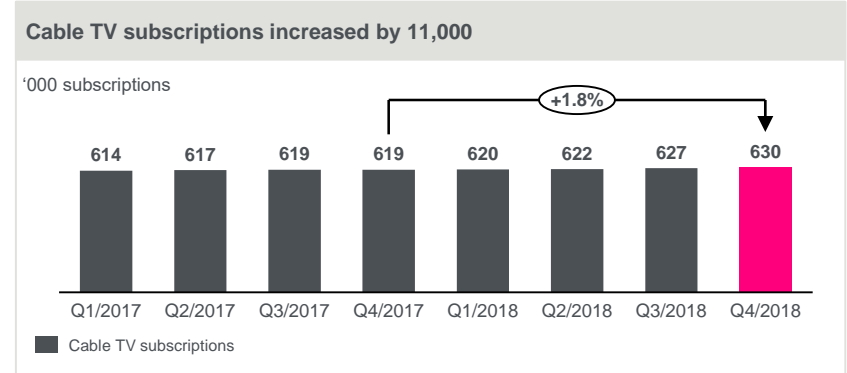
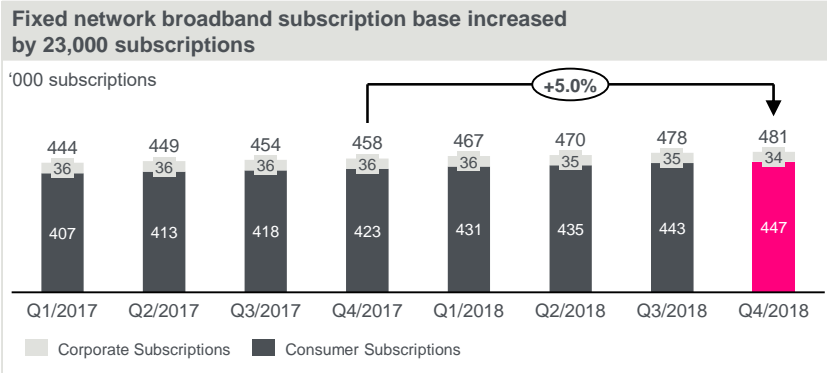
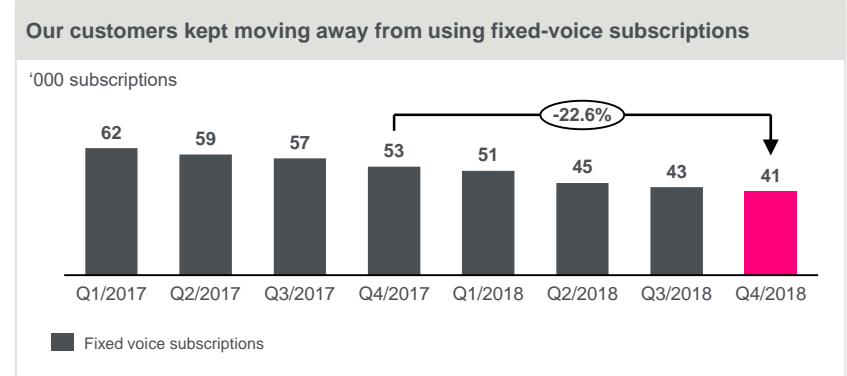
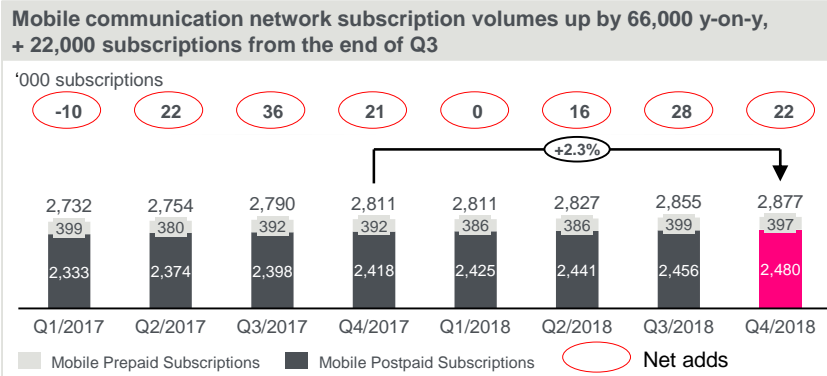
CHURN = Customer turnover rate

DNA's net sales and profitability have grown steadily during the last few years



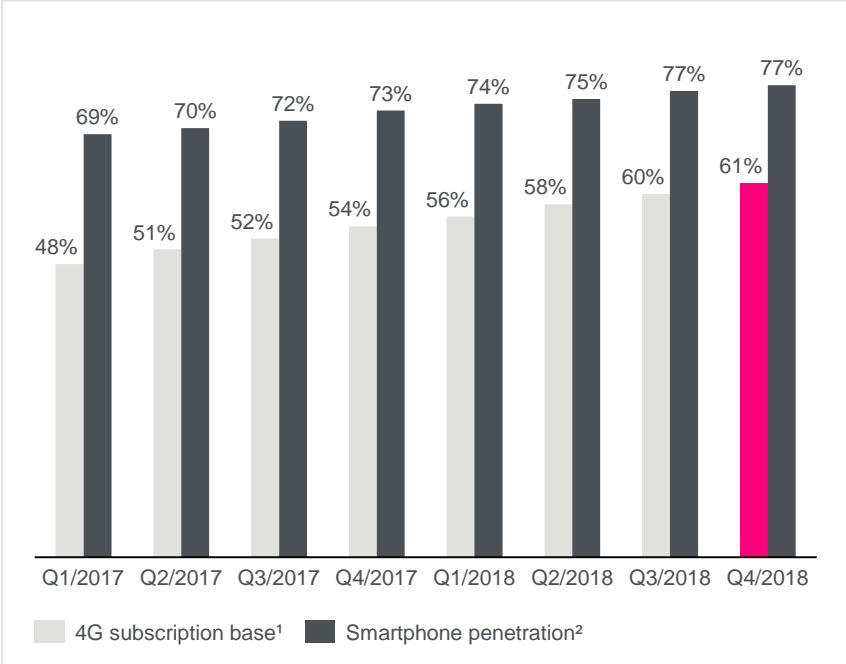
Notes
 1. EBITDA excluding items affecting comparability
 2. Operative capex excluding spectrum license payments
 3. Operating free cash flow defined as comparable EBITDA minus operative capex

Mobile network and fixed network subscription base grew



Steady growth in 4G subscription base and smartphone penetration

4G subscription base and smartphone penetration



Key highlights in October-December 2018

- 4G subscription base penetration increased in Q4 and was 61.4%
- Smartphone penetration remained steady and was 77%
- Practically all phones sold in the market were smart phones and mostly 4G models

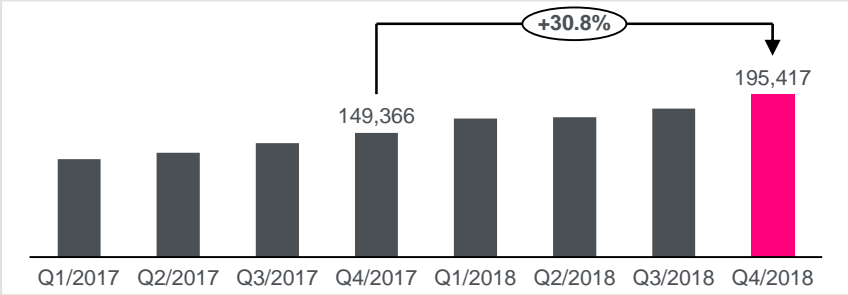
Notes

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

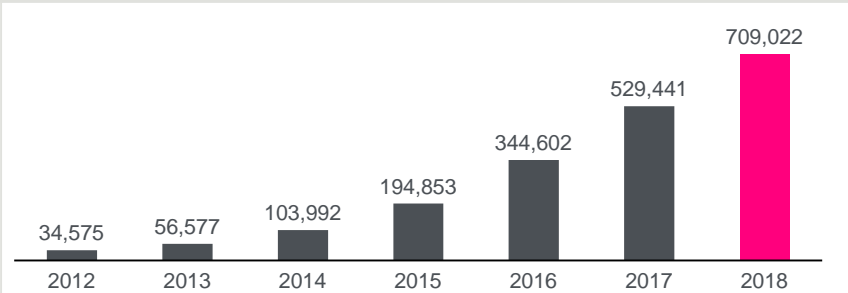
2. iOS (iPhone)-, Bada-, MeeGo-, Android-, Blackberry-, Symbian 3~ and Windows phones of the total phone base

About 92% of all mobile data usage was transferred in 4G network

Mobile data traffic (GB, '000) grew over 30%



Mobile data traffic (GB, '000)

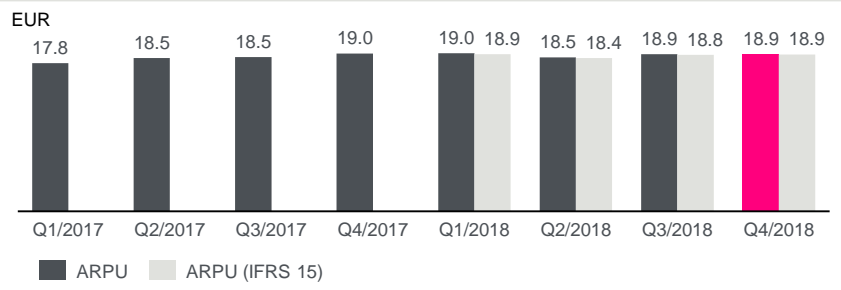


Key highlights in October-December 2018

- DNA's 4G mobile data traffic increased in the last quarter 37% from the reference period
- DNA's total data traffic volume in the mobile communications network increased by 31%
- In 2018, DNA's mobile data usage was 20.8 gigabytes / month / subscription and in 2017 the number was about 15.9 gigabytes
- In the past two years, the quantity of data transferred in DNA's mobile communication network has over doubled and the trend is expected to continue with the expansion of 5G

In Q4/2018, the subscription turnover rate (CHURN) was low; 14.8%

Mobile postpaid ARPU remained almost in the reference year's level



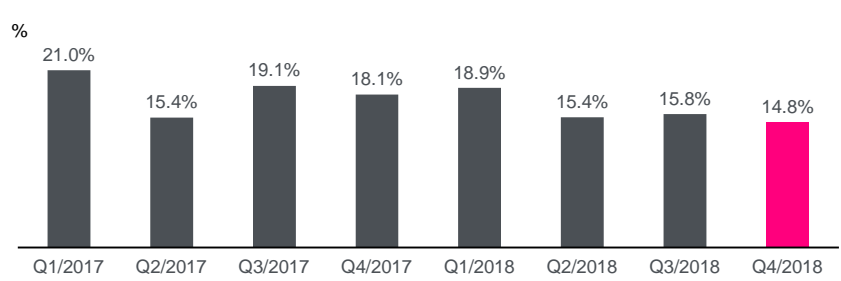
Key highlights in October-December 2018

- ✓ Demand of 4G subscriptions continued to grow steadily
 - 4G subscription base has increased 7.1 %-points year-on-year and its' share of mobile subscriptions was 61.4%¹ (54.3%)

- ✓ ARPU was impacted by lower interconnection charges from the beginning of December

- ✓ High customer satisfaction and DNA's ability to react fast to competitors' campaigns decreased CHURN
 - CHURN was 14.8% (18.1%)
 - CHURN decreased from the previous quarter (Q3 2018: 15.8%)

Mobile communication CHURN (postpaid) decreased to a 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

Financial review



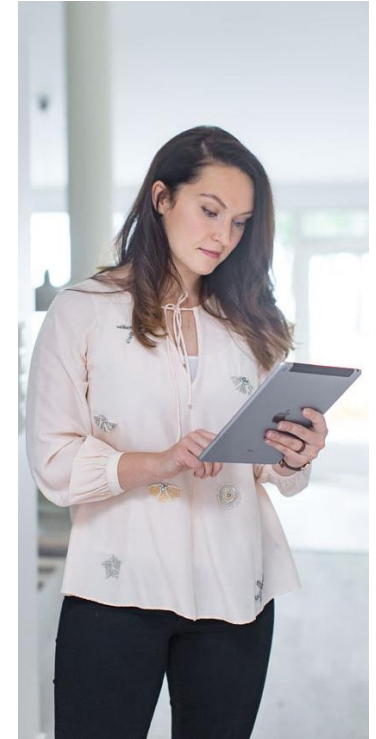
Positive development in full year financial KPI's

EUR, million	Q4/2018*	Q4/2018 adjusted	Q4/2017	Change %	1-12/2018*	1-12/2018 adjusted	1-12/2017	Change %
Net sales	236.9	237.5	234.6	1.2%	911.8	913.5	886.1	3.1%
Comparable EBITDA	65.4	62.7	65.7	-4.5%	284.9	283.6	271.8	4.4%
% of Net Sales	27.6%	26.4%	28.0%		31.2%	31.0%	30.7%	
Comparable Operating Result	28.4	25.1	29.9	-16.1%	138.9	133.8	126.6	5.7%
% of Net Sales	12.0%	10.6%	12.8%		15.2%	14.6%	14.3%	
Net Result	21.2	18.5	21.6	-14.1%	102.2	98.1	93.1	5.4%
% of Net Sales	8.9%	7.8%	9.2%		11.2%	10.7%	10.5%	
Operative Capex	53.7	53.8	67.3	-20.1%	133.9	134.7	132.9	1.3%
% of Net Sales	22.7%	22.7%	28.7%		14.7%	14.7%	15.0%	
Operating FCF ¹	11.7	8.9	-1.7		151.0	149.0	138.9	7.3%
Net Debt					379.3	379.3	304.3	
Net Debt / EBITDA					1.33	1.34	1.12	

Notes

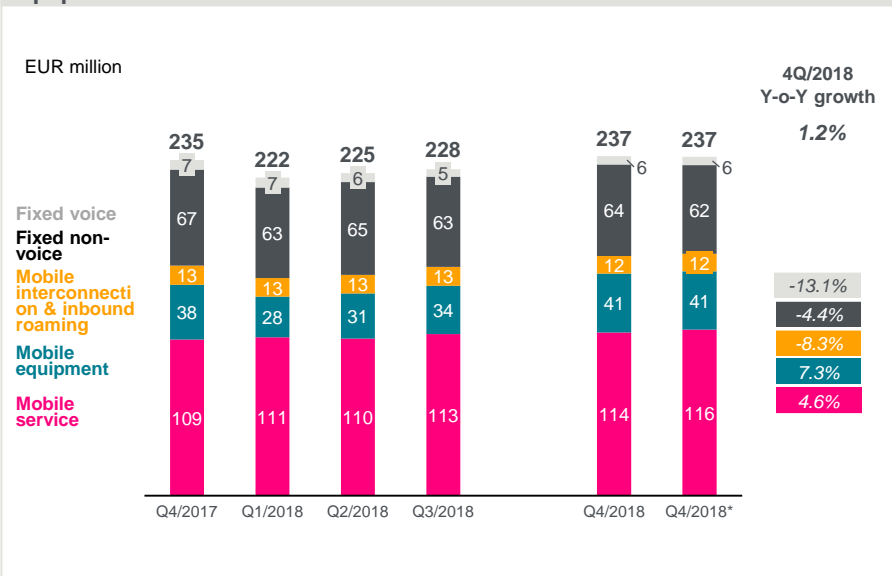
1. Operating free cash flow defined as comparable EBITDA minus operative capex
 Figures adjusted are disclosed as if they were prepared under 2017 revenue guidance, excluding the impact of IFRS 15 standard adopted on 1 January 2018.

*Including IFRS 15



Q4/2018: Mobile service revenue increased 4.6% year-on-year

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



Notes
*Including IFRS 15

Key highlights in October-December 2018

- Mobile service revenue grew 4.6% from the reference period
 - The growth was fuelled particularly by the growth in mobile subscriptions base and in average billing per user
 - Average revenue per user (ARPU) was EUR 18.9 (19,0)
- Mobile equipment sales were strong and increased by 7.3%
- Revenue from fixed voice continued to decline as expected
- Mobile interconnection decreased slightly from the reference period due to the decrease in interconnection prices
- Fixed non-voice has been impacted in particular by declined sales of pay TV

Q4/2018 net sales grew in Consumer business and decreased slightly in Corporate business

Consumer business in Q4

Net sales EUR 180.0 million (+2.6%)

- + Net sales were driven by the growth in mobile service revenue and mobile device sales
- + Revenue per user (ARPU)¹ remained steady and was EUR 20.5 (20.4)

EBITDA EUR 47.4 million (+1.5%)

- + The increase was fuelled by the positive development of mobile service revenue but higher sales and marketing costs impacted EBITDA negatively

Corporate business in Q4

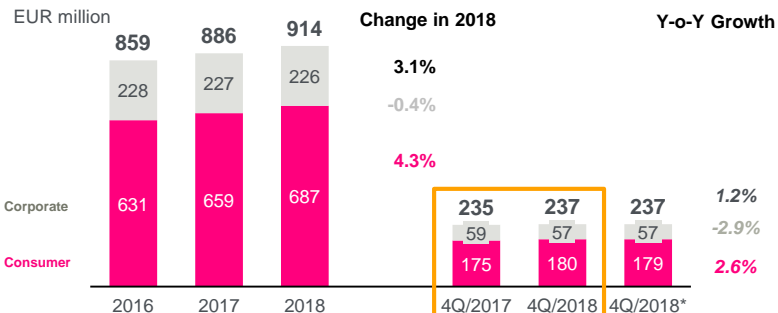
Net sales EUR 57.5 million (-2.9%)

- Net sales were affected by a decrease in the demand for fixed voice services and lower sales of equipment
- + Corporate customers' mobile ARPU decreased from the reference period and was EUR 13.6 (14.0), mainly due to lower interconnection charges

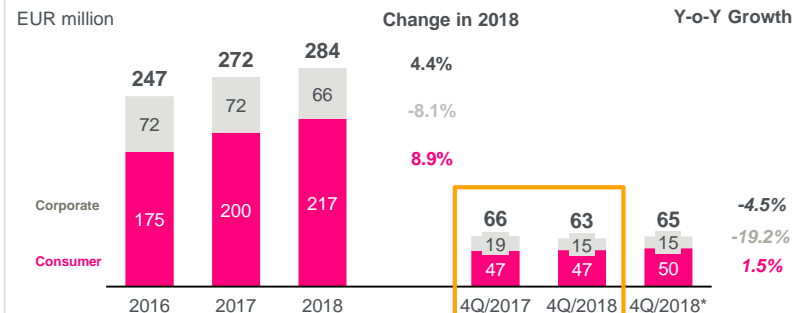
EBITDA EUR 15.3 million (-19.2%)

- EBITDA was weakened by an increase in fixed costs due to activities including development of new services

Net sales, EUR million



Comparable EBITDA, EUR million



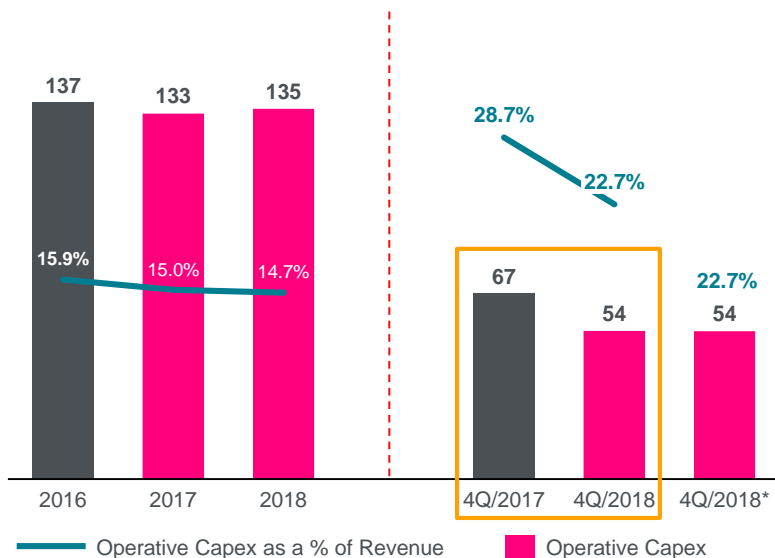
Notes

1. Consumer mobile postpaid handset subscription ARPU
*Including IFRS 15

Operative CAPEX in 2018 in the reference year level

Operative capex¹ was 22.7% of net sales in October-December

EUR million



Notes

1. Operative capital expenditure is reported capital expenditure excluding cash instalments for spectrum licenses capitalized.

*Including IFRS 15

Key highlights in October-December 2018 & FY2018

- Operative capital expenditure decreased from the reference period and was EUR 53.8 million (67.3), or 22.7% of net sales (28.7%)
- Operative Capex in 2018 remained at a similar level than in 2017 and was 14.7% of net sales
 - Capital expenditures was distributed more evenly throughout the year in 2018
- Major individual items included in capital expenditure in the review period are 4G network capacity expansion, fibre optics networks and transmission systems

Operating free cash flow at a good level

Cash flow summary

EUR million	2015	2016	2017	2018	2018*
Comparable EBITDA	227	247	272	284	285
Operative Capex	(148)	(137)	(133)	(135)	(134)
Operating FCF	79	110	139	149	151
<i>Margin %</i>	9.5%	12.8%	15.7%	16.3%	16.6%
<i>Cash Conversion %</i>	34.7%	44.6%	51.1%	52.5%	53.0%
Interest paid, net	(8)	(9)	(9)	(17)	(17)
Income taxes, paid	2	(5)	(26)	(12)	(12)
Adjusted Change in NWC	38	(1)	19	(46)	(48)
Change in Provisions	(9)	(2)	(5)	(2)	(2)
FCFE	101	93	119	72	72
<i>Margin %</i>	12.2%	10.8%	13.4%	7.9%	7.9%

Key highlights in 2018

- Operating free cash flow at a good level
 - + EBITDA significantly higher year-on-year
 - + Operating FCF increased 7.3% from the reference year
- Free cash flow to equity EUR 72 million (end of September 2018: EUR 57 million)
 - The higher costs resulting from the re-financing of bonds in the first quarter weakened cash flow
 - Net working capital related to trade payables increased due to the payment of previous year's high investments. Also increase in sales receivables due to high equipment sales impacted NWC negatively.
 - Investments distributed more evenly this year

Notes

*Including IFRS 15

Low cost capital structure

Weighted average cost of debt: 1.34% (Q3/2018: 1.62%)

	Maturity	Nominal Amount EUR million	Book Value EUR million	Cost of Debt
Unsecured € Bond 1.375% Coupon	Mar-2025	250	242	1.43%
Unsecured € Bond 2.875% Coupon	Mar-2021	60	60	2.93%
Bank Loans and Commercial Paper		100	100	0.17%
Total		410	402	1.34%
Cash & Cash Equivalents			-23	
Net Debt			379	
Net Debt/EBITDA¹			1.34	

In March 2018, DNA got a long-term credit rating

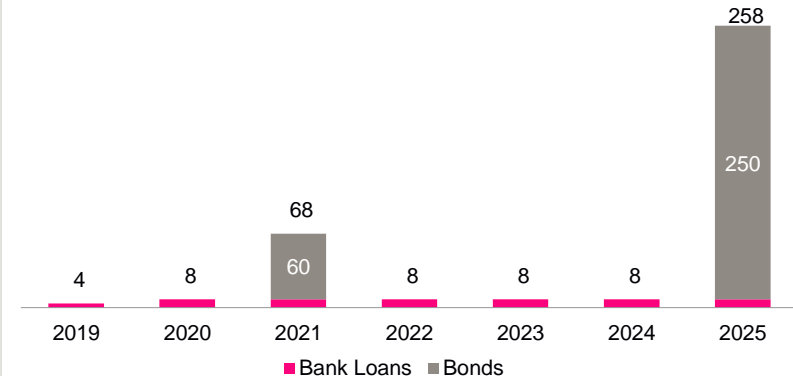
Assigned Rating	BBB (S&P)
Outlook	Stable

Notes

1. Defined as net debt divided by comparable EBITDA from the beginning of year (adjusted), excluding IFRS 15 impact

Debt maturity schedule, EUR million

EUR 150 million fully undrawn RCF providing additional liquidity and financial flexibility



A photograph of two men walking on a modern, glass-enclosed walkway in a building. The man on the left is wearing a light-colored jacket and a blue shirt, carrying a black bag. The man on the right is wearing a dark blazer and a brown sweater, looking at a smartphone. The background shows a bright, modern interior with glass railings and a ceiling with recessed lighting.

**Strategic cornerstones,
market outlook
and
financial
objectives**

DNA acquired Moi Mobili

- Moi Mobili provides mobile services to private and corporate customers
- Moi has operated since 2016 as a service operator in DNA's mobile network
- Moi will continue to serve its customers under its own brand separately from DNA
- Moi have some 10 employees who will continue in the service of the company
- The acquired business operations will be consolidated into DNA's 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

The logo for Moi, featuring the word "Moi" in a bold, red, sans-serif font. The letter "i" has a small orange dot above it.

DNA's highlights in 2018

DNA launched a 5G network in Helsinki in the end of the year

- Initially, the network will cover the very centre of the city, but will be expanded once 5G-capable mobile devices become widely available
- DNA is piloting 5G Fixed Wireless Access (FWA) technology in the city of Vantaa
- 4G network's mobile data traffic continued its strong growth and 4G remains the primary mobile communication network technology for long time still



DNA's employees are even more satisfied with their employer

- DNA received the Great Place to Work® certificate in November 2018 for the second consecutive year and DNA is taking part in GPTW Finland 2018 survey
- DNA's personnel satisfaction has improved for four consecutive years
- DNA is steering its management culture towards leadership by coaching

DNA's subscription base exceeded four million

- DNA's mobile and fixed network subscriptions increased also in 2018 and DNA reached 4 million subscriptions milestone in the third quarter
- DNA became the second-largest fixed broadband service provider in Finland when during summer 2018 DNA increased its' share of the fixed broadband market to 28%

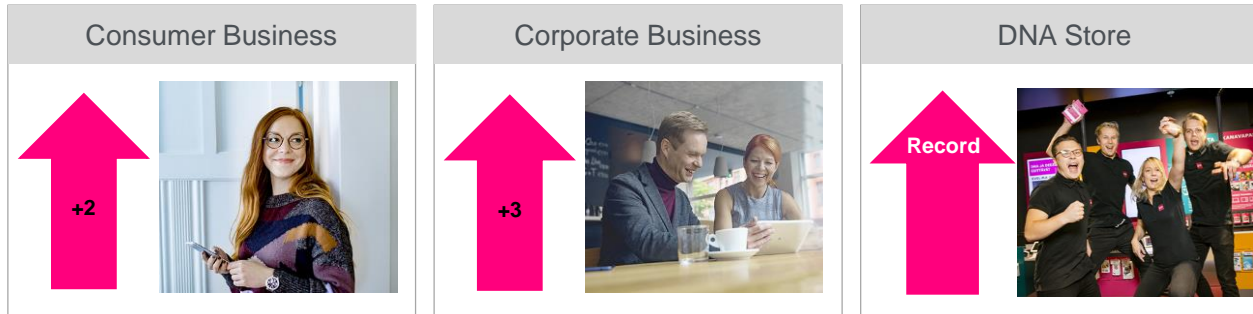


DNA developed its' IoT expertise and services

- DNA introduced new DNA Connectivity IoT service
- The service is developed with Cisco Jasper, and with the service DNA's customers can develop and increase their IoT services businesses across both national and international markets
- DNA's objective is to become a significant operator in the IoT market

In 2018 our customer satisfaction continued to increase

- In Consumer Business, NPS improved in all product categories and the total satisfaction rNPS* improved by 2 points
- In Corporate Business, rNPS improved by 3 points
- Having already high NPS records, DNA Stores reached yet again a new record level



*rNPS = relationship Net Promoter Score measures loyalty of customer relationships

We are on track to achieve our strategic objectives



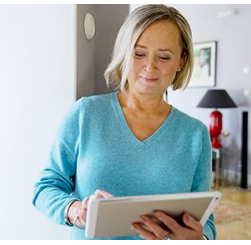
The most satisfied consumer and corporate customers

DNA is a great place to work: DNA aims to be one of the most desired employers in Finland



Industry-leading financial development

Faster than average market growth



Market outlook for 2019

While Finland's economic growth is expected to slow down, the Bank of Finland forecasts GDP growth to remain moderate.

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

The number of high-speed 4G subscriptions continues to grow and mobile data usage per subscription increases.

The SMS and voice revenue in the mobile communication network is forecasted to decrease somewhat.

Demand for broadband and entertainment services is expected to increase due to the increase in video content usage.

The market for fixed-network voice services is expected to continue declining. The demand for traditional pay-TV services is expected to decline further.

The demand for Industrial Internet solutions, and subsequently for M2M subscriptions, is expected to grow.

First to benefit from the 5G network are detached-home residents and businesses without access to a fibre optic connection. 5G devices are expected during 2019.

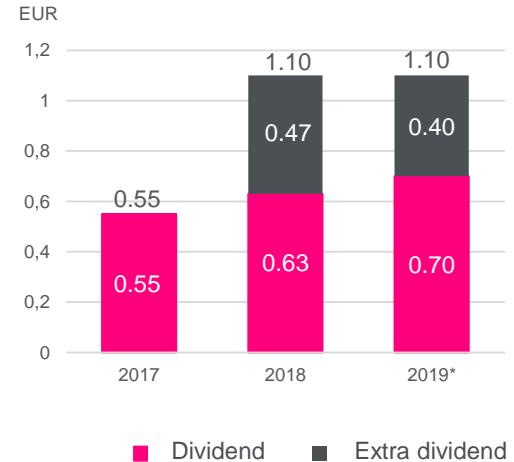
Board of Director’s proposal for distributable funds in 2018

Dividend	EUR 0.70 / share
Extra dividend	EUR 0.40 / share
In total:	EUR 1.10 / share

- Dividend + extra dividend in total EUR 1.10 per share: payout ratio 6.4%¹
- Dividend of EUR 0.70 is 129% of DNA’s free cash flow to equity
- Total dividend payout for shareholders is EUR 145.3 million

Notes

¹December 30, 2018 share price
 * Board’s proposal for AGM 2019



We updated our financial targets; EBITDA margin 34%

DNA has updated its' mid-term financial targets in part of EBITDA margin and dividend policy.

Target	2018	2017	2016
Net sales growth – faster than average market growth			
EBITDA margin of at least 34% (earlier target 32%, new target includes IFRS16 impact ¹)	31.2%	30.7%	27.5%
Operative capital expenditure less than 15% of sales (excluding IFRS16 impact ²)	14.7%	15.0%	15.9%
Net debt/EBITDA less than 2.0 (can be temporarily exceeded in case of potential attractive bolt-on in-market M&A opportunities) ³	1.33x	1.12x	1.36x

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

IFRS 16 standard was adopted at the beginning of 2019, and it's estimated to have an impact in 2019 to our

1. EBITDA, of approximately EUR +17 million

2. Investments, of approximately EUR +8 million. Operative capital expenditure are investments excluding capitalized spectrum license payments.

3. Net debt to EBITDA, of approximately +0,2

IFRS 16 impact on DNA's Income Statement and Balance Sheet in 2019

Impact of IFRS 16 is mainly coming from long-term leasing contracts of premises, equipment facilities and leasing cars
 → Instead of leasing expenses, depreciation and interests will be recorded into the income statement:

- Liabilities increase about EUR 81 million and property, plant and equipment about EUR 84 million
- EBITDA, positive impact of about EUR 17 million
 - Depreciation increase about EUR 17 million
 - Finance expenses increase about EUR 1 million
- Net debt/EBITDA ratio will deteriorate about 0.2
- Investments will increase about EUR 8 million.
 IFRS 16 won't have an impact on operative capex.

EUR, million	2019
Net sales	
Other operating expenses	-17
EBITDA	17
Depreciation, amortisation and impairments	17
Operating result, EBIT	0
Financial expenses	1
Net result before income tax	-1

Financial objectives and dividend policy

DNA financial guidance¹ for 2019

- DNA's net sales are expected to remain at the same level as in 2018, and EBITDA is expected to increase substantially from 2018. DNA's financial position and liquidity are expected to remain at a healthy level.
- The adoption of IFRS 16 from the beginning of 2019, is estimated to have a 17 million euros positive impact in 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%** (previous target was 32%), including IFRS16 impact
- Operative capital expenditure² 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

Board's proposal for dividend for 2019 AGM

- Board's dividend proposal for the 2018 financial year: EUR 0.70 per share and an extra dividend of EUR 0.40 per share
- In total EUR 1.10 per share, 6.4% payout ratio (as of 31 Dec 2018)
- Total payout of dividend and extra dividend EUR 145.3 million

Notes

1. DNA's guidance for 2019 is disclosed includes the impact of adoption IFRS16 as of 1 January 2019.

2. Operative capex is capital expenditure excluding spectrum license payments and IFRS16 impact.



DNA's Annual General Meeting will take place at the Finlandia Hall in Helsinki on 28 March 2019 at 1pm

Important dates related to AGM:

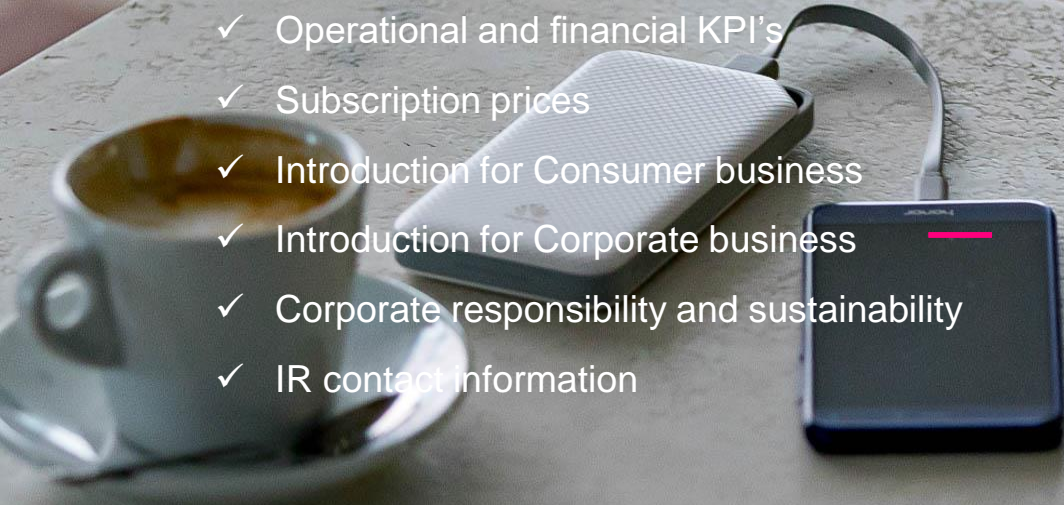
- Ex-dividend date 23 March, 2019
- Record date for dividend payment 1 April, 2019
- Proposed dividend payment date 10 April, 2019

Thank you!

More information:
DNA's Investor Relations
Marja Mäkinen
+358 44 044 1262,
marja.makinen@dna.fi

Appendices

- ✓ Operational and financial KPI's
- ✓ Subscription prices
- ✓ Introduction for Consumer business
- ✓ Introduction for Corporate business
- ✓ Corporate responsibility and sustainability
- ✓ IR contact information



KPI Overview

Mobile KPIs						
	2016	2017	2018	4Q/2017	4Q/2018	4Q/2018*
Mobile Revenue (EUR million)	539	586	634	161	168	169
Service	375	420	448	109	114	116
Equipment Sales	111	114	135	38	41	41
Interconnection & Inbound Roaming	53	52	51	13	12	12
Mobile Subscriptions (000s)¹	2 742	2 811	2 877	2 811	2 877	2 877
Postpaid	2 338	2 418	2 480	2 418	2 480	2 480
Prepaid	404	392	397	392	397	397
Consumer	2 262	2 252	2 287	2 252	2 287	2 287
Corporate	480	559	590	559	590	590
ARPU, Mobile Handset Subscriptions (EUR/month)²						
Postpaid	17.1	18.4	18.8	19.0	18.9	18.9
Prepaid	3.8	3.8	3.9	4.0	3.9	3.9
Consumer (postpaid)	18.0	19.6	20.4	20.4	20.5	20.4
Corporate (postpaid)	13.9	13.8	13.2	14.0	13.6	13.6
Annualised Mobile Handset Subscriptions Churn (%)						
Postpaid	16.1%	18.3%	16.2%	18.1%	14.8%	14.8%

Fixed KPIs						
	2016	2017	2018	4Q/2017	4Q/2018	4Q/2018*
Fixed Revenue (EUR Million)	320	300	280	74	70	68
Non-Voice Revenues	288	273	256	67	64	62
Voice Revenues	32	28	24	7	6	6
Fixed Broadband Subscriptions (000s)	440	458	481	458	481	481
Consumer	403	423	447	423	447	447
Corporate	37	36	34	36	34	34
Fixed Voice Subscriptions (000s)	65	53	41	53	41	41
Consumer	30	25	21	25	21	21
Corporate	35	29	20	29	20	20
Cable-TV Subscriptions (000s)	608	619	630	619	630	630

Notes

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

Examples of DNA subscription prices

DNA Rajaton

Monthly fee	EUR 24,90/month
Data transfer speed	1 Mbit/s
EU-data package	10 Gt/month
Domestic calls	unlimited
Domestic text & multimedia messages	unlimited

DNA Nopea 4G –subscriptions – Unlimited 100 Mbit/s 4G-internet at home and 10 Gt/month EU data package. Unlimited / package or / per usages calls and text messages.

DNA Paketti

Monthly fee	EUR 17,90/month
Data transfer speed	1 Mbit/s
EU-data package	5 Gt/month in EU /ETA area
Domestic calls	200 minutes
Domestic text & multimedia messages	200 pcs

DNA Jämpi

Monthly fee	EUR 12,90 /month
Data transfer speed	1 Mbit/s
EU-data package	5Gt/kk
Domestic calls	EUR 0.07 / min
Domestic text messages	EUR 0.07 / pc

DNA Puhe

Monthly fee	EUR 4,90/month
Data transfer speed	-
EU-data package	-
Domestic & in EU /ETA area calls	EUR 0.07 / min
Domestic & in EU /ETA area text & multimedia messages	EUR 0.07 / pc

DNA Max 4G Rajaton

Monthly fee	EUR 49.90/month
Data transfer speed	4G maxim speed in Finland
Domestic data	unlimited
EU-data package	20 Gt/month in EU /ETA area
Domestic & EU /ETA area calls, text & multimedia messages	unlimited (wi-fi calls included)

DNA Super 4G Rajaton

Monthly fee	EUR 39.90/month
Data transfer speed	300 Mbit/s (4G in Finland)
Domestic data	unlimited
EU-data package	15 Gt/month in EU /ETA area
Domestic & EU /ETA area calls, text & multimedia messages	unlimited (wi-fi calls included)

DNA Nopea 4G Rajaton

Monthly fee	EUR 34.90/month
Data transfer speed	100 Mbit/s (4G in Finland)
Domestic data	unlimited
EU-data package	10 Gt/month in EU /ETA area
Domestic & EU /ETA area calls, text & multimedia messages	unlimited (wi-fi calls included)

DNA Nopea 4G Jämpi

Monthly fee	EUR 26.90/month
Data transfer speed	100 Mbit/s (4G in Finland)
Domestic data	unlimited
EU-data package	10 Gt/month in EU /ETA area
Domestic & in EU /ETA area calls	EUR 0.07 / min
Domestic & in EU /ETA area text & multimedia messages	EUR 0.07 / pc

Consumer Business

(75% OF NET SALES IN 2018)

DNA provides its consumer customers with diverse services for **communication and entertainment**: smart phones, tablets and accessories; voice services in mobile and fixed networks; broadband services in mobile and fixed networks; and diverse entertainment services in cable, terrestrial and broadband networks.

Smart phones and subscriptions

Broadband subscriptions (mobile and fixed)

Modern entertainment services

STRENGTHS

- Strong retail and online store sales
- We aim to provide straightforward, high-quality service in every channel, every time
- Clear and competitive product-service combinations for customers

GROWTH DRIVERS

- TV and entertainment business
- The increased adoption of smart phones, tablets and other smart devices as well as the wider availability of 4G speeds significantly boosts data transfer volumes

DNA's Consumer Business in brief

Customer satisfaction is the key

We improve the quality of our customer service and the efficiency of our operations systematically, introduce easy-to-use services needed by customers. Our customer service metrics have shown positive development in 2018 and DNA Store received record-high scores in NPS.

Mobile communications

Our extensive and fast 4G network makes us well-equipped to provide our customers with increasingly faster, high-quality connections. Our ARPU has strengthened in particular because DNA's customers switch to faster 4G subscriptions. We will start to offer 5G services during 2019 when 5G devices become to the market.

Entertainment Business

We want it to be easy for everyone to find the entertainment content they want, regardless of the technology or devices. While traditional TV viewing minutes decreased, the use of streaming and on-demand video services continued to grow.

Fixed broadband

Households are increasingly using both fixed-network and mobile broadband. DNA's fixed-network broadband subscription base grows steadily and the base increased by 23 000 subscriptions in 2018.

Growth drivers

Increasingly networked lifestyles, new TV and home entertainment services and growth of mobile data volumes are trends boosting operators' business.

Net sales increased

Net sales of our Consumer Business in 2018, amounting to EUR 685 million. Net sales were driven by the increasing demand for mobile services as well as good mobile device sales.

Corporate Business

(25% OF NET SALES IN 2018)

DNA provides easily deployable and high-quality mobile and fixed network communications and network services for companies and communities.

Mobile Network and Communications Services

Enterprise Network Services

Enterprise Network Security

Enterprise Network Solution

IoT – Smart Connectivity

STRENGTHS

- Extensive own fibre, backbone and distribution networks
- Extensive mobile network, largely with IPv6 protocol
- Strong regional presence strategic priority
- Excellent price-quality ratio and customer-oriented product development

GROWTH DRIVERS

- The digitalisation of businesses and increasing use of cloud services require fast and high-quality network services
- The Industrial Internet and IoT require more intelligent controlling and new technologies

DNA's Corporate Business in brief

Customer satisfaction
is the key

Strong partner for companies, public corporations and integrators. Good services and expert customer service.

Comprehensive, fast
and reliable network

High-quality networks are playing increasingly important role in the ecosystem of machines, information and people as the volume of data traffic is increasing. The network must be reliable and suited to the company's needs.

Pioneer in new ways
of working

Digitalisation is speeding up change in the working culture. We are creating new ways of working with the help of innovative tools, fast connections and reliable network services.

Industrial Internet

DNA introduced new DNA Connectivity IoT service developed with Cisco Jasper. With the service DNA's customers can develop and increase their IoT services businesses across both national and international markets.

Net sales remained
steady

Net sales in 2018 remained at a similar level year-on-year, amounting to EUR 227 million.

Significant new agreements and extensions to existing contracts with enterprises and the public sector

City of Vantaa

- A three-year extension agreement on the delivery of an even larger set of telecommunications services
- The solution includes all connections of the city, the LANs and WLANs of offices, firewall services and the Internet connections, online authorisation solutions and optionally a cyber security service
- Contract period initially three years, after which continues until further notice
- The total value for the first three years is over EUR 8 million

Large listed Finnish industrial corporation

- A three-year agreement on the delivery of WAN network in Finland, mobile call centre and over 1,000 mobile subscriptions
- The total value of the agreement is over EUR 2 million



Finnish University and Research Network Funet

- CSC – IT Center for Science and DNA Plc have agreed on the delivery of fibre optic connections for the Finnish University and Research Network Funet
- With the agreement, the number of fibre optic connections provided by DNA for the nationwide Funet data communications network increases significantly. Furthermore, the Funet network will be expanded across Finland with several new connections provided by DNA

Additional information on corporate responsibility and sustainability

- DNA's corporate responsibility reporting is conducted in accordance with the Global Reporting Initiative (GRI) framework and published annually with the Annual Report
- DNA's Corporate Responsibility Reports are available on our investor website: <https://corporate.dna.fi/reporting>
- DNA's Corporate Responsibility Report has been assured by an independent external party
- DNA also reports to the CDP survey in terms of climate performance



DNA Investor Relations



Timo Karppinen
CFO

timo.karppinen@dna.fi
+358 44 044 5007



Marja Mäkinen
Head of IR

marja.makinen@dna.fi
+358 44 044 1262



Meeting requests:
Kirsi Kurki
Executive Assistant

kirsi.kurki@dna.fi
+358 44 044 2696

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Next events:

- ✓ March 28, 2019: AGM 2019
- ✓ April 25, 2019: Q1/2019 results

