IMPORTANT NOTICE (FOR ELECTRONIC DELIVERY)

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS (**QIBs**) WITHIN THE MEANING OF RULE 144A (**RULE 144A**) UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **U.S. SECURITIES ACT**), (2) PERSONS HOLDING ACCOUNTS EXCLUDED FROM THE DEFINITION OF **U.S. PERSON** PURSUANT TO PARAGRAPH (K)(2)(i) OF RULE 902 OF REGULATION S SOLELY IN THEIR CAPACITIES AS HOLDERS OF SUCH ACCOUNTS OR (3) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S (**REGULATION S**) UNDER THE U.S. SECURITIES ACT (AND, IF INVESTORS ARE RESIDENT IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA, A QUALIFIED INVESTOR)

IMPORTANT: You must read the following before continuing. The following applies to the Offering Circular (the **Offering Circular**) following this notice, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications thereto, each time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT, THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THE OFFERING CIRCULAR CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of Your Representation: In order to be eligible to view the Offering Circular or make an investment decision with respect to the securities, investors must be either (1) QIBs, (2) persons holding accounts excluded from the definition of "U.S. person" pursuant to paragraph (k)(2)(i) of Rule 902 of Regulation S solely in their capacities as holders of such accounts or (3) purchasing the securities in an offshore transaction outside the United States in reliance on Regulation S; provided that investors resident in a Member State of the European Economic Area must be qualified investors (within the meaning of Article 2(1)(e) of Directive 2003/71/EC, as amended, and any relevant implementing measure in each Member State of the European Economic Area). The Offering Circular is being provided at your request. By accepting this e-mail and accessing the Offering Circular, you shall be deemed to have represented to DNA and the Managers that:

(1) you consent to delivery of the Offering Circular by electronic transmission;

(2) you are a person who is permitted under applicable law and regulation to receive this Offering Circular; and

(3) either:

  (a) you and any customers you represent are QIBs,

  (b) you are a person holding accounts excluded from the definition of "U.S. person" pursuant to paragraph (k)(2)(i) of Rule 902 of Regulation S solely in your capacity as holder of such accounts, or

  (c) (i) you are not, and the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia and (ii) if you are resident in a Member State of the European Economic Area, you are a qualified investor.

Prospective purchasers that are QIBs are hereby notified that the seller of the securities may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act pursuant to Rule 144A or Section 4(a)(2) of the U.S. Securities Act.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the Offering Circular to any other person. The materials relating to the Offering (as defined in the Offering Circular) do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the Offering be made by a licensed broker or dealer and the Managers (as defined in the Offering Circular) or any affiliate of the Managers is a licensed broker or dealer in that jurisdiction, the Offering shall be deemed to be made by the Managers or such affiliate on behalf of the Company (as defined in the Offering Circular) in such jurisdiction.

Under no circumstances shall the Offering Circular constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Offering Circular has not been approved by an authorized person in the United Kingdom. The securities may not be offered or sold other than to persons whose ordinary activities involve these persons in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the securities would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the **FSMA**) by us. In addition, no person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the securities other than in circumstances in which Section 21(1) of the FSMA does not apply to us.

The Offering Circular has been made available to you in an electronic form. You are reminded that documents electronically transmitted via this medium may be altered or changed during the process of electronic transmission and, consequently, none of the Managers, any person who controls any Manager, the Company, or any of its subsidiaries, or any of their respective directors, officers, employers, employees or agents, or any affiliate of any such person, accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Company.

INTERNATIONAL OFFERING CIRCULAR

Share Issue of approximately EUR 50 million
Share Sale of a maximum of 35,950,000 Sale Shares
Preliminary price range EUR 9.85-11.15 per Offer Share

This offering circular (the **Offering Circular**) has been prepared in connection with the initial public offering of DNA Oyj, a public limited liability company incorporated in Finland (the **Company**). The Company aims to raise gross proceeds of approximately EUR 50 million by offering new shares in the Company (the New Shares) for subscription (the Share Issue). The number of New Shares to be issued will be determined based on the final subscription price per Offer Share (the **Final Offer Price**). The Company would issue 4,766,905 New Shares assuming that the Final Offer Price would be at the mid-point of the Preliminary Price Range (as defined below) and total of 50,000 New Shares would be subscribed in the Personnel Offering (as defined below) at the discount applicable to such New Shares. In addition, preliminarily up to 35,950,000 existing shares (the **Sale Shares**, and together with the New Shares, the **Offer Shares**) in the Company are being offered for sale by some of the existing shareholders of the Company (the **Sellers**) (the **Share Sale**, and together with the Share Issue, the **Offering**).

The Offering consists of (i) a public offering to private individuals and entities in Finland (the **Public Offering**), (ii) a personnel offering to all DNA's permanent or fixed-term employees of the Company or its wholly owned subsidiaries in Finland, agency employees who work at the Company or its wholly owned subsidiaries during the subscription period as well as the members of the Board of Directors of the Company and the CEO (together the **Personnel**) (the **Personnel Offering**) and (iii) private placements to institutional investors in Finland and internationally, including in the United States to qualified institutional buyers (**QIBs**) as defined in Rule 144A (**Rule 144A**) under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**), pursuant to exemptions from the registration requirements of the U.S. Securities Act (the **Institutional Offering**). All offers and sales outside the United States will be made in reliance on Regulation S under the U.S. Securities Act (**Regulation S**). This Offering Circular relates to the Offering of Offer Shares to QIBs in the United States and to institutional investors outside of Finland.

The Company and the largest shareholders of the Company, PHP Holding Oy and Finda Oy (together the **Institutional Sellers**) have appointed Danske Bank A/S, Helsinki branch (**Danske Bank**) and Morgan Stanley & Co. International Plc (**Morgan Stanley** and together with Danske Bank, the **Joint Global Coordinators**) to act as the joint global coordinators and joint bookrunners for the Offering. In addition, the Company and the Institutional Sellers have appointed J.P. Morgan Securities plc (**J.P. Morgan**), Nordea Bank Finland plc (**Nordea**) and Skandinaviska Enskilda Banken AB (publ) Helsinki branch (**SEB**, and together with J.P. Morgan, Nordea and the Joint Global Coordinators, the **Managers**, and each individually, a **Manager**), to act as joint bookrunners for the Offering.

The Institutional Sellers will grant Danske Bank (the **Stabilizing Manager**) the Stabilizing Manager an over-allotment option exercisable within 30 days from the commencement of the trading of the shares in the Company (the **Shares**) on Nasdaq Helsinki Ltd (the **Helsinki Stock Exchange**), (which is estimated to occur between November 30, 2016 and December 29, 2016 (the **Stabilization Period**)), to purchase, or to procure purchasers, for up to 6,064,100 additional Shares solely to cover over-allotments (the **Over-Allotment Option**). The Shares have not been subject to trading on a regulated market prior to the Offering. The Company intends to submit a listing application to the Helsinki Stock Exchange to list the Shares on the official list of the Helsinki Stock Exchange under the share trading code "DNA" (the **Listing**). Trading in the Shares is expected to commence on the pre-list of Helsinki Stock Exchange on or about November 30, 2016 and on the official list of Helsinki Stock Exchange on or about December 2, 2016. Offer Shares issued in the Public Offering are recorded in the investor's book-entry accounts with Euroclear Finland Ltd (**Euroclear Finland**), the Finnish central securities depository, on or about November 30, 2016. In the Institutional Offering, the Offer Shares will be ready to be delivered against payment on or about December 2, 2016 through Euroclear Finland. Personnel Shares are recorded in the book-entry accounts of the Personnel on or about December 16, 2016. The shares will be settled through the clearance system of Euroclear Finland.

The subscription period for the Offering will commence on November 15, 2016 at 10 a.m. (Finnish time) and end on November 25, 2016 at 4 p.m. (Finnish time) for the Public Offering, on November 29, 2016 at 12 noon (Finnish time) for the Institutional Offering and on November 25, 2016 at 4 p.m. (Finnish time) for the Personnel Offering, unless the subscription period is discontinued or extended. Instructions for making the subscriptions and purchases as well as detailed terms and conditions of the Offering are presented in this Offering Circular under "*Terms and Conditions of the Offering.*" The preliminary price range for the Offer Shares is a minimum of EUR 9.85 and a maximum of EUR 11.15 per Offer Share (the **Preliminary Price Range**). The final subscription price per Offer Share (the **Final Offer Price**) may also be above or below the Preliminary Price Range. Only New Shares will be offered in the Personnel Offering and a discount will be applied to the subscription price in the Personnel Offering as described in "*Terms and Conditions of the Offering*". The Final Offer Price will be announced through a stock exchange release on or about November 29, 2016.

An investment in the Offer Shares involves risks. Prospective investors should read this entire Offering Circular and, in particular, "*Risk Factors*," when considering an investment in the Offer Shares.

The Offer Shares are not transferrable except in accordance with the restrictions in: "*Selling and Transfer Restrictions*" and "*Certain Information with Regard to the Offering*".

Joint Global Coordinators and Joint Bookrunners

Danske Bank **Morgan Stanley**

Joint Bookrunners

J.P. Morgan **Nordea** **SEB**

Financial Advisor

Lazard

The date of this Offering Circular is November 14, 2016.

CERTAIN INFORMATION WITH REGARD TO THE OFFERING

In this Offering Circular, the **Company** refers to DNA Oyj and **DNA** refers to the Company together with its subsidiaries, unless the context requires otherwise. References and matters relating to the Shares and share capital of the Company or matters of administration of the Company refer to the Shares, share capital and matters of administration of DNA Oyj.

In connection with the Offering, the Company has prepared a Finnish language prospectus (the **Finnish Prospectus**) in accordance with the Finnish Securities Market Act (746/2012, as amended, the **Finnish Securities Market Act**), Commission Regulation (EC) No. 809/2004 of April 29, 2004, as amended (Annexes I, III and XXII) implementing Directive 2003/71/EC of the European Parliament and of the Council, as amended, as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, the Finnish Ministry of Finance Decree on prospectuses referred to in Chapter 3 to 5 of the Finnish Securities Markets Act (1019/2012) and the regulations and guidelines issued by the Finnish Financial Supervisory Authority (**FFSA**). The FFSA has approved the Finnish Prospectus, but is not responsible for the accuracy of the information presented therein. The record number of the FFSA's approval decision concerning the Finnish Prospectus is FIVA 60/02.05.04/2016. This Offering Circular is an English language version of the original Finnish Prospectus. This Offering Circular contains the same information as the Finnish Prospectus, with the exception of certain information directed at investors outside of Finland. The English language Offering Circular has not been approved by the FFSA. The restrictions for distribution differ between the Finnish Prospectus and the English language Offering Circular.

No person has been authorized to give any information or to make any representation other than as contained in this Offering Circular in connection with the Offering. If such information or representations are given or made, it must be noted that they have not been approved by the Company or the Managers, and the Company or the Managers have not given such authorizations. No representation or warranty, express or implied, is made by the Managers as to the accuracy or completeness of the information contained in this Offering Circular, and nothing contained in this Offering Circular should be relied upon as a promise or representation by the Managers in this respect, regardless of whether it concerns the past or the future. None of the Managers assume any responsibility for the accuracy, completeness or verification of the information and, accordingly, disclaims to the fullest extent permitted by applicable law any and all liability, whether arising in tort, contract or otherwise, which it might otherwise be found to have in respect of this Offering Circular or any such representation. Any information given or representations made in connection with the Offering that are inconsistent with those contained in this Offering Circular are invalid.

The Managers are acting exclusively for the Company and the Institutional Sellers and no-one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this Offering Circular) as their respective client in relation to the Offering. None of the Managers will be responsible to anyone other than the Company and the Institutional Sellers for giving advice in relation to the Offering or any transaction or arrangement referred to in this Offering Circular.

In connection with the Offering, each of the Managers and any of their respective affiliates, acting as an investor for its own account, may purchase Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account any Offer Shares or related investments and may offer or sell Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in this Offering Circular to Shares being offered should be read as including any offering of the Offer Shares to any of the Managers or any of their respective affiliates acting in such capacity. None of the Managers intends to disclose the extent of such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, certain of the Managers or their affiliates may enter into financing arrangements with investors in connection with which such Managers, or their affiliates, may from time to time acquire, hold or dispose of Shares.

Prospective investors should rely only on the information contained in this Offering Circular. Prospective investors should not rely on the Managers or their respective affiliates in connection with any investigation in respect of the accuracy of any information contained in this Offering Circular or in making an investment decision. No person has been authorized to give any other information or to make any representation concerning the Offer Shares or Shares and, if given or made, any such other information or representation should not be relied upon as having been authorized by the Company or the Managers. Prospective investors should, prior to making an investment decision, carefully acquaint themselves with the entire Offering Circular. In making an investment decision, prospective investors must rely on their own examination of the Company and the terms and conditions of the Offering, including the benefits and risks involved in them. None of the Company or the Managers, or their respective affiliates or respective representatives, is making any representation to any recipient of the offer, subscriber or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares under the laws applicable to them. Investors should consult their own advisers, as they consider it necessary, before subscribing for or purchasing the Offer Shares. Investors are required to make their own independent assessments of the legal, tax, business, financial and other consequences and risks of a subscription or purchase concerning the Offer Shares.

Neither the submission of this Offering Circular nor any offering, sale or delivery based thereon shall, under any circumstances, mean that the information contained in this Offering Circular would be correct in the future or that no changes would have taken place in respect of DNA's business, which may result in or have resulted in a material adverse effect on DNA's business operations, operating result or financial standing as at the date of this Offering Circular. The Company shall, however, correct and supplement this Offering Circular as required in the Finnish Securities Markets Act Chapter 4, Section 14. Nothing contained in this Offering Circular constitutes, or shall be relied upon as, a promise or assurance by the Company or the Managers as to the future.

In a number of countries, in particular in Australia, Canada, Hong Kong, Japan, New Zealand, South Africa and the United States, the distribution of this Offering Circular, as well as the subscription or sale of the Offer Shares, is subject to restrictions imposed by law (such as registration, admission, qualification and other regulations). The offer to subscribe for or purchase the Offer Shares does not include people resident in Japan, New Zealand, South Africa and, subject to certain exceptions, the United States, or any other jurisdiction where such an offer would be illegal. No action has been or will be taken by the Company or the Managers to permit a public offering or the possession or distribution of this Offering Circular (or any other offering or publicity materials or application forms relating to the Offering) in any jurisdiction where such offering, possession or distribution may otherwise lead to a breach of any law or regulatory requirement.

Neither this Offering Circular nor any advertisement or any other material related to the Offering may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. It is not the responsibility of the Company or the Managers to acquire appropriate information regarding the above restrictions or to comply with the above restrictions. None of the Company or the Managers accepts any legal responsibility for persons who have obtained this Offering Circular in violation of these restrictions, irrespective of whether these persons are prospective subscribers or purchasers of the Offer Shares. This Offering Circular does not constitute an offer to sell the Offer Shares to any person in any jurisdiction in which it is unlawful to make such offer to such person, or a solicitation of an offer to buy the Offer Shares from a person in a jurisdiction in which it is unlawful to make such solicitation. As a condition to subscribing for or purchasing the Offer Shares, each subscriber and purchaser is considered to have made—or, in some cases, has been required to make—certain representations and warranties regarding their domicile that will be relied upon by the Company, the Managers, the Sellers and their respective affiliates. The Company and the Institutional Sellers reserve the right, in their sole and absolute discretion, to reject any subscription or purchase of the Offer Shares that the Company or its representatives believe may give rise to a breach or violation of any law, rule or regulation. The Offering will be governed by the laws of Finland and any disputes arising in connection with it will be settled by a court of competent jurisdiction in Finland.

Notice to Investors in the European Economic Area

In any member state of the European Economic Area (the **EEA**) (each, a **Relevant Member State**), this Offering Circular is only addressed to, and is only directed at, qualified investors in that Relevant Member State within the meaning of the Prospectus Directive.

This Offering Circular has been prepared on the basis that any Offer Shares in any Relevant Member State, other than the offer in Finland, contemplated by the Finnish Prospectus, will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Offer Shares. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which is subject of the offering contemplated in this Offering Circular may only do so in circumstances in which no obligation arises for the Company, any of the Sellers or any of the Managers to publish a prospectus for such offer. None of the Company, the Sellers or the Managers authorize, the making of any offer of Offer Shares through any financial intermediary, other than offers made by Managers which constitute the final placement of Offer Shares contemplated in this Offering Circular.

For the purposes of this provision, the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the Amending Directive 2010/73/EU), and includes any relevant implementing measures in the Relevant Member State.

Notice to Investors in the United Kingdom

This Offering Circular is only being distributed to, and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Order**) or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons being referred to as **Relevant Persons**). Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

Canada

The Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to Section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Managers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriting conflicts of interests in connection with the Offering.

Dubai International Financial Centre

This Offering Circular relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the **DFSA**). This Offering Circular is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Offering Circular nor taken steps to verify the information set forth herein and has no responsibility of this Offering Circular. The shares to which this Offering Circular relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Offer Shares should conduct their own due diligence on the Shares. If you do not understand the contents of this Offering Circular you should consult an authorized financial advisor.

In relation to its use in the Dubai International Financial Centre (**DIFC**), this Offering Circular is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the Shares may not be offered or sold directly or indirectly to the public in the DIFC.

Japan

The Shares have not been and will not be registered under the Financial Instruments and Exchange Law (Law No.25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, **Japanese Person** shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Hong Kong

The Shares may not be offered or sold in Hong Kong, by means of any document, other than (1) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any rules made under that Ordinance; or (2) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance. No invitation, advertisement or document relating to the Shares may be issued, or in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed in the SIX Swiss Exchange (the **SIX**) or on any other stock exchange or regulated trading facility in Switzerland. This Offering Circular has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering of marketing material relating to the Shares or the Offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offering Circular not any other offering or marketing material relating to the Offering, the Company or the Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Offering Circular will not be filed with, and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (**FINMA**), and the offer of Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (the **CISA**). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Shares.

CONTENTS

SUMMARY

Summaries are made up of disclosure requirements known as "Elements." The Elements are presented in Sections A–E (A.1–E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be included, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be included in the summary due to the type of securities or issuer, it is possible that no relevant information exists regarding the Element. In this case, the summary includes a brief description of the Element along with a notion of the Element being "not applicable."

Section A—Introduction and warnings		
Element	**Disclosure requirement**	**Disclosure**
A.1	**Introduction**	*This summary should be read as an introduction to this Offering Circular. Any decision to invest in the Offer Shares should be based on a consideration of this Offering Circular as a whole by prospective investors. Where a claim relating to the information contained in this Offering Circular is brought before a court, the plaintiff investor might, under the national legislation of the member states, have to bear the costs of translating this Offering Circular before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Offering Circular or if it does not provide, when read together with the other parts of this Offering Circular, key information in order to aid investors when considering whether to invest in the Offer Shares.*
A.2	**Consent for resale of securities and final placement / offer period / conditions attached to the consent**	Not applicable.

Section B—Issuer		
Element	**Disclosure requirement**	**Disclosure**
B.1	**Legal and commercial name**	DNA Oyj.
B.2	**Domicile/legal form/legislation/ country of incorporation**	The Company is domiciled in Helsinki, Finland. The Company is a public limited liability company organized under the laws of the Republic of Finland. The Company is governed by the laws of the Republic of Finland.
B.3	**Current operations and principal activities**	DNA is one of the leading national telecommunications service providers in Finland with its own nationwide mobile and fixed network. It operates under the DNA brand and its key infrastructure assets that enable its services consist of a nationwide mobile network and a hybrid-fiber-coaxial (HFC) network, which is the largest in the country based on the number of households covered within its footprint.

Section B—Issuer		
Element	**Disclosure requirement**	**Disclosure**
		DNA's business is divided into two segments: Consumer and Corporate. For consumer customers, DNA offers mobile handset services, mobile broadband services, fixed voice and broadband services as well as TV and video services. In addition, DNA also offers consumer customers a broad selection of handsets, tablets, dongles, set-top boxes and related accessories from leading suppliers. For corporate customers DNA offers mobile voice, mobile data and fixed voice communication services as well as mobile broadband and fixed data networking services. DNA also offers corporate customers various value added, M2M and wholesale services as well as ability to purchase equipment relating to the above-mentioned services. DNA's 4G mobile network, one of the most advanced mobile networks in Finland, is expected to provide coverage to 99.6 percent of the population of mainland Finland by the end of 2016. Suomen Yhteisverkko Oy, DNA's joint operation with Telia Company, started constructing a joint mobile communications network in spring 2015 in Northern and Eastern Finland and the construction phase has been completed in November 2016. The network enables DNA to provide high quality mobile coverage in rural areas. DNA expects to continue investing in the maintenance and development of the network, but significantly lesser amounts than during the construction phase. Based on the number of households covered within its footprint DNA also has the most extensive HFC cable network in Finland, which is fully EuroDOCSIS3.0 upgraded allowing currently at least 350 Mbps download speeds to all households within its footprint and the access to gigabit grade speeds in the Helsinki metropolitan area and Oulu.
B.4a	**Significant recent trends of the issuer and its industry**	The telecommunications market in Finland is characterized by a stable competitive environment. The three main telecommunications services providers generated approximately 87 percent of market revenues in 2015. Finnish economy is starting to improve and mobile communications retail network market turned to growth in 2014. The mobile services market has witnessed the emergence of various IP-based OTT communication services as smartphones and tablets are becoming more common. The most important industry trend has been the exponential growth in mobile data usage in recent years, which is expected to continue for several years as the number of 4G subscriptions continues to grow and customers increase their data consumptions and move to faster data connections. Correspondingly, SMS messaging and mobile voice traffic have declined in recent years, and this decline is also expected to continue in the future. The fixed voice market is expected to continue declining as customer's move to mobile subscriptions. The number of fixed broadband subscriptions has been relatively stable during the last few years and no significant changes are expected in the future. However, the demand for fast broadband subscriptions is expected to continue increase and the transition from slower xDSL subscriptions to faster fibre-based cable and Ethernet subscriptions is expected to continue. The share of housing association subscriptions of DNA's fixed broadband subscriptions has increased. In the pay TV market especially OTT services have gained popularity in recent years and are expected to continue to grow also in the future.

<table>
<tr><th colspan="3">Section B—Issuer</th></tr>
<tr><th>Element</th><th>Disclosure requirement</th><th>Disclosure</th></tr>
<tr><td></td><td></td><td>In the corporate market, the increasingly mobile and flexible work is reflected in the increased importance of mobile data. Companies are also increasingly adopting cloud services to increase their operational efficiency which increases the importance of fast secured connections. Corporate customers are also increasingly looking to purchase their telecommunication services from a single telecommunication provider.

Industrial Internet and IoT have emerged strongly in recent years as future opportunities for the telecom industry. IoT and M2M (machine-to-machine) services are continuously gaining more ground, both among companies and consumers and the Company expects the growth to continue in the future.</td></tr>
<tr><td>B.5</td><td>Group structure</td><td>DNA Oyj is the parent company of the DNA group. DNA Oyj is the main operative company in the DNA group. The Company has four direct subsidiaries, which are all 100 percent owned by the Company. DNA's own retail stores are operated through its subsidiary DNA Kauppa Oy. DNA's TV and video services and fixed broadband services are operated through DNA Welho Oy, which holds TV licenses for VHF network. Huuked Labs Oy does not currently have business operations. Forte Netservices OOO provides services for DNA's corporate customers in Russia. Suomen Yhteisverkko Oy is a joint operation with Telia Company, and DNA recognizes its share of the entity's assets, liabilities, revenues and expenses in its consolidated financial statements. DNA owns 49 percent and Telia Company 51 percent of the shares of the joint operation. DNA's share of the operation and maintenance costs of the joint operation's base capacity was 42 percent in 2015 and 40 percent in 2014. DNA's share of the base capacity costs of the joint operation will not exceed 50 percent.</td></tr>
<tr><td>B.6</td><td>Notifiable interests</td><td>To the Company's knowledge, the following shareholders, directly or indirectly, have an interest in the Company's share capital or voting rights that is notifiable under Finnish law according to the shareholder register of the Company as at the date of this Offering Circular:

<table>
<tr><th></th><th>Number of Shares</th><th>Percent of Shares and Votes</th></tr>
<tr><td>Finda Oy</td><td>63,461,805</td><td>49.84</td></tr>
<tr><td>PHP Holding Oy</td><td>47,766,375</td><td>37.52</td></tr>
<tr><td>Mutual Pension Insurance Company Ilmarinen</td><td>6,370,335</td><td>5.00</td></tr>
</table></td></tr>
<tr><td></td><td>Different voting rights</td><td>Not applicable. All Shares carry equal voting rights.</td></tr>
</table>

Section B—Issuer		
Element	**Disclosure requirement**	**Disclosure**
	Controlling interests	As at the date of this Offering Circular, Finda Oy owns 49.84 percent of the Company's shares and PHP Holding Oy owns 37.52 percent of the Company's shares. In case the Offering is consummated as planned, Finda Oy and PHP Holding Oy will have direct ownership of 33.58 percent and 25.88 of the Company's Shares and votes, respectively, following the Offering, assuming that the Over-Allotment Option is not exercised. Finda Oy and PHP Holding Oy have a significant cross-ownership, as PHP Holding Oy's subsidiary PHP Liiketoiminta Oyj is Finda Oy's largest shareholder and Finda Oy's associated company Rival XV Invest Oy is the largest shareholder of PHP Holding Oy. Finda Oy, PHP Holding Oy and PHP Liiketoiminta Oyj have entered into an agreement that prevents the parties from increasing their direct or indirect ownership in one another without prior consent from another party. In addition, PHP Liiketoiminta Oyj is a party in a shareholders' agreement concerning Finda Oy. Both agreements will remain in force following completion of the Listing. Following the Listing, Finda Oy and PHP Holding Oy will continue to have a significant decision-making power in the Company concerning, among other things, the composition of the Company's Board of Directors and distribution of dividends.
B.7	**Selected historical key financial information**	The following tables present selected consolidated financial information for the Company as at and for the nine months ended September 30, 2016 and 2015 and as at and for the years ended December 31, 2015, 2014 and 2013. The financial information presented below has been derived from the Company's audited consolidated financial statements as at and for the years ended December 31, 2015, 2014 and 2013 prepared in accordance with International Financial Reporting Standards (**IFRS**) as adopted by the European Union (the **EU**) and from the Company's unaudited interim financial information as at and for the nine months ended September 30, 2016, including unaudited comparative financial information as at and for the nine months ended September 30, 2015, prepared in accordance with "*IAS 34—Interim Financial Reporting*".

Section B—Issuer		
Element	**Disclosure requirement**	**Disclosure**
		Certain of the historical financial information as at and for the years ended December 31, 2015, 2014 and 2013 presented herein differs from the historical financial information in DNA's audited statutory consolidated financial statements confirmed by the annual general meeting due to restatements made in 2015 and certain reclassifications made in 2016. DNA identified an error during 2015 in its invoicing system causing a restatement of DNA's Consumer segment's net sales for the years ended December 31, 2014 and 2013. Net sales of the Consumer segment decreased by EUR 1,989 thousand and EUR 1,339 thousand, respectively, as a result of correction of the error. The identified error did not have an impact on customer invoicing. In 2015 DNA also identified an understatement of EUR 1,769 thousand for the amount of the PlusTV brand write-off recognized initially in 2014, which was retrospectively corrected. As a result of the restatements the net result for the period decreased by EUR 3,006 thousand for the year 2014 and EUR 1,011 thousand for the year 2013. In addition, DNA has reclassified certain items in the consolidated statement of financial position as at December 31, 2013 and in the consolidated statements of cash flows for the years ended December 31, 2015, 2014 and 2013 to correspond to its current presentation format. The audited consolidated financial statements for the years ended December 31, 2015, 2014 and 2013 included in this Offering Circular have been retrospectively restated according to "*IAS 8—Accounting Policies, Changes in Accounting Estimates and Errors*" in respect of the items described above. The restated audited consolidated financial statements have been prepared for inclusion in this Offering Circular and they have not been considered or confirmed at the Company's annual general meeting.

Section B—Issuer

	For the nine months ended September 30,		For the year ended December 31,		
	2016	2015	2015	2014 (restated)	2013 (restated)
	(unaudited) (EUR in thousands, unless otherwise indicated)		(audited, unless otherwise indicated) (EUR in thousands, unless otherwise indicated)		
CONSOLIDATED INCOME STATEMENT					
Net sales	**633,720**	**614,858**	**828,800**	**831,541**	**765,092**
Other operating income	2,680	3,268	4,283	1,837	2,404
Materials and services	(278,437)	(274,644)	(375,009)	(407,326)	(370,218)
Employee benefit expenses	(82,916)	(78,765)	(106,850)	(100,985)	(85,427)
Depreciation, amortization and impairments	(108,300)	(119,727)	(154,622)	(176,626)	(147,094)
Other operating expenses	(90,012)	(91,188)	(123,510)	(122,840)	(122,445)
Operating result, EBIT	**76,736**	**53,802**	**73,093**	**25,601**	**42,312**
Finance income	672	703	986	891	1,210
Finance expense	(7,903)	(9,634)	(12,499)	(11,342)	(7,175)
Share of associated companies' results	13	10	14	17	(33)
Net result before income tax	**69,519**	**44,882**	**61,593**	**15,168**	**36,314**
Income tax expense	(13,946)	(8,812)	(11,544)	(2,771)	(8,401)
Net result for the period	**55,573**	**36,070**	**50,049**	**12,397**	**27,913**
Attributable to:					
Owners of the parent	55,573	36,070	50,049	12,397	27,913
Earnings per share for net result attributable to owners of the parent:					
Earnings per share, basic (EUR)(1)	0.44	0.28	0.39(2)	0.10(2)	0.22(2)
Earnings per share, diluted (EUR)(1)	0.44	0.28	0.39(2)	0.10(2)	0.22(2)

(1) Earnings per share has been restated to take into account the effect of share split based on the decision of the extraordinary general meeting on October 25, 2016, where shareholders received 14 new shares for each share owned.

(2) Unaudited.

	For the nine months ended September 30,		For the year ended December 31,		
	2016	2015	2015	2014 (restated)	2013 (restated)
	(unaudited) (EUR in thousands)		(audited) (EUR in thousands)		
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME					
Net result for the period	55,573	36,070	50,049	12,397	27,913
Items that will not be reclassified to profit or loss:					
Remeasurements of post employment benefit obligations	(16)	44	249	(535)	67
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges	0	95	112	179	647
Other comprehensive income, net of tax	(16)	139	361	(356)	714
Total comprehensive income	**55,557**	**36,209**	**50,410**	**12,041**	**28,627**
Attributable to:					
Owners of the parent	55,557	36,209	50,410	12,041	28,627

Section B—Issuer

	As at September 30, 2016	As at December 31, 2015	2014 (restated)	2013 (restated)
	(unaudited) (EUR in thousands)	(audited) (EUR in thousands)		
CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
Assets				
Non-current assets:				
Goodwill	327,206	327,206	327,206	232,318
Other intangible assets	154,494	158,429	176,867	173,925
Property, plant and equipment	423,132	443,877	432,414	392,299
Investments in associates	1,195	1,186	2,155	2,142
Available-for-sale financial assets	215	215	215	215
Trade and other receivables	34,561	37,874	40,413	38,735
Deferred tax assets	173,839	18,840	31,190	31,847
Total non-current assets	**958,642**	**987,626**	**1,010,460**	**871,481**
Current assets:				
Inventories	17,991	21,082	19,497	20,806
Trade and other receivables	184,097	176,591	189,006	154,655
Income tax receivables	328	5,940	11,628	4,013
Cash and cash equivalents	48,369	25,266	10,599	27,055
Total current assets	**250,785**	**228,879**	**230,730**	**206,529**
Total assets	**1,209,427**	**1,216,505**	**1,241,190**	**1,078,010**
Equity				
Equity attributable to owners of the parent:				
Share capital	72,702	72,702	72,702	72,702
Hedge reserve	0	0	(112)	(292)
Reserve for invested unrestricted equity	607,335	607,335	607,335	606,779
Treasury shares	(103,321)	(103,388)	(103,546)	(103,546)
Retained earnings	(91,188)	(101,778)	(84,632)	(82,314)
Net result for the period	55,573	50,049	12,397	27,913
Total equity	**541,100**	**524,920**	**504,144**	**521,242**
Liabilities				
Non-current liabilities:				
Borrowings	341,330	362,334	327,105	225,845
Employment benefit obligations	1,974	1,939	2,219	1,496
Provisions	10,290	13,023	20,057	7,579
Derivative financial instruments	0	0	0	476
Deferred tax liabilities	25,618	28,285	32,518	38,961
Other non-current liabilities	12,540	12,502	19,553	21,725
Total non-current liabilities	**391,752**	**418,082**	**401,452**	**296,083**
Current liabilities:				
Borrowings	80,189	75,210	162,929	127,879
Provisions	737	1,004	3,137	203
Derivative financial instruments	0	0	150	0
Trade and other payables	186,197	197,271	169,288	132,504
Income tax liabilities	9,452	18	90	100
Total current liabilities	**276,575**	**273,503**	**335,594**	**260,685**
Total liabilities	**668,327**	**691,585**	**737,046**	**556,768**
Total equity and liabilities	**1,209,427**	**1,216,505**	**1,241,190**	**1,078,010**

Section B—Issuer

	For the nine months ended September 30,		For the year ended December 31,		
	2016	2015 (restated)	2015 (restated)	2014 (restated)	2013 (restated)
	(unaudited) (EUR in thousands)		(audited) (EUR in thousands)		
CONSOLIDATED STATEMENT OF CASH FLOWS					
Cash flows from operating activities					
Net result for the period	55,573	36,070	50,049	12,397	27,913
Adjustments[(1)]	126,360	130,878	167,003	192,604	159,620
Change in net working capital[(2)]	11,945	14,681	35,651	(22,099)	(25,639)
Dividends received	6	6	6	6	6
Interest paid	(5,125)	(3,647)	(6,768)	(8,039)	(6,588)
Interest received	365	317	463	580	461
Other financial items	(465)	(1,110)	(1,487)	(1,724)	(1,600)
Income taxes paid	(552)	2,986	2,096	(10,678)	(17,731)
Net cash generated from operating activities	**188,106**	**180,180**	**247,012**	**163,047**	**136,440**
Cash flows from investing activities					
Investments in property, plant and equipment (PPE) and intangible assets	(107,436)	(103,554)	(152,398)	(129,629)	(129,976)
Proceeds from sale of PPE	109	933	1,026	131	460
Acquisition of subsidiaries, net of cash acquired	0	0	0	(156,838)	(40,496)
Other investments	(1,120)	1,637	1,637	(400)	0
Net cash used in investing activities	**(108,448)**	**(100,984)**	**(149,735)**	**(286,736)**	**(170,012)**
Cash flows from financing activities					
Proceeds from issuance of shares	67	158	158	557	0
Dividends paid	(40,063)	(30,041)	(30,041)	(30,014)	(35,016)
Proceeds from borrowings	59,864	124,634	274,561	544,010	307,093
Repayment of borrowings	(76,423)	(172,014)	(327,288)	(407,321)	(219,674)
Net cash generated from (used in) financing activities	**(56,555)**	**(77,263)**	**(82,610)**	**107,232**	**52,403**
Change in cash and cash equivalents	23,104	1,933	14,667	(16,456)	18,831
Cash and cash equivalents at beginning of period	25,266	10,599	10,599	27,055	8,224
Cash and cash equivalents at end of period	48,369	12,531	25,266	10,599	27,055

(1) Adjustments:					
Depreciation, amortization and impairment	108,300	119,727	154,622	176,626	147,094
Gains and losses on disposals of non-current assets	(137)	(1,101)	(1,215)	(131)	(320)
Other non-cash income and expense	(13)	(10)	(14)	269	(108)
Finance income and expense	7,230	8,931	11,513	10,451	5,965
Income tax expense	13,946	8,812	11,544	2,771	8,401
Change in provisions	(2,965)	(5,481)	(9,447)	2,620	(1,412)
Total adjustment	**126,360**	**130,878**	**167,003**	**192,604**	**159,620**
(2) Change in net working capital:					
Change in trade and other receivables	(3,561)	6,735	15,216	(14,142)	(2,308)
Change in inventories	3,091	590	(1,585)	1,408	(3,065)
Change in trade and other payables	12,415	7,356	22,020	(9,365)	(20,266)
Change in net working capital	**11,945**	**14,681**	**35,651**	**(22,099)**	**(25,639)**

Section B—Issuer					
	As at and for the nine months ended September 30,		As at and for the year ended December 31,		
	2016	2015	2015	2014 (restated)	2013 (restated)
	(unaudited)		(unaudited, unless otherwise indicated)		
	(EUR in thousands, unless otherwise indicated)		(EUR in thousands, unless otherwise indicated)		
KEY PERFORMANCE INDICATOR DATA					
Mobile average revenue per user (ARPU), postpaid, in EUR(2)	17.0	17.1	17.0	17.8	18.2
Consumer segment mobile ARPU, in EUR	17.8	17.8	17.7	18.3	18.8
Corporate segment mobile ARPU, in EUR	13.9	14.6	14.6	15.8	16.0
Total mobile churn, percent(3)	15.5%	16.0%	16.0%	16.9%	17.1%
Net sales	633,720	614,858	828,800(1)	831,541(1)	765,092(1)
Net sales of Consumer segment(4)	464,439	442,113	596,250(1)	620,372(1)	592,089(1)
Net sales of Corporate segment(5)	169,281	172,745	232,550(1)	211,168(1)	173,003(1)
EBITDA(6)	185,036	173,529	227,714(1)	202,227(1)	189,406(1)
EBITDA margin, percent	29.2%	28.2%	27.5%	24.3%	24.8%
Comparable EBITDA(7)	189,595	172,474	226,660	210,954	195,009
Comparable EBITDA margin, percent	29.9%	28.1%	27.3%	25.4%	25.5%
Operating result, EBIT	76,736	53,802	73,093(1)	25,601(1)	42,312(1)
Operating result, EBIT margin, percent	12.1%	8.8%	8.8%	3.1%	5.5%
Comparable EBIT(8)	81,295	52,747	72,038	55,680	47,914
Comparable EBIT margin, percent	12.8%	8.6%	8.7%	6.7%	6.3%
Net result before income tax	69,519	44,882	61,593(1)	15,168(1)	36,314(1)
Net result for the period	55,573	36,070	50,049(1)	12,397(1)	27,913(1)
Cash flow after investing acitivities(10)	79,658	79,196	97,277	(123,689)	(33,572)
Net debt(11)	373,150	—	412,278	479,435	326,669
Net debt / EBITDA(12)	1.51	—	1.81	2.37	1.72
Net gearing, percent(13)	69.0%	—	78.5%	95.1%	62.7%
Equity ratio, percent(14)	45.8%	—	44.1%	41.4%	49.4%
Return on investment, percent(15)	10.7%	—	7.6%	2.8%	5.2%
Return on equity, percent(16)	13.9%	—	9.7%	2.4%	5.3%
Capital expenditure(17)	84,878	83,740	154,664(1)	149,553(1)	128,415(1)
Operative capital expenditure(18)	84,878	83,740	147,950	142,839	121,701
Operative capital expenditure as percentage of sales	13.4%	13.6%	17.9%	17.2%	15.9%
Operating free cash flow (OpFCF)(19)	104,716	88,734	78,710	68,115	73,308
Free cash flow to equity (FCFE)(20)	80,910	76,666	101,484	48,699	19,238

(1) Audited.

(2) Mobile ARPU, postpaid, means the average revenue per user calculated by dividing the mobile postpaid handset net sales (including interconnection and roaming revenues, but excluding equipment sales) by the average number of subscriptions for that period and further by the number of months in the period.

(3) Postpaid mobile churn rates represent postpaid mobile voice and data numbers only and are calculated by dividing the number of disconnections of mobile voice and data subscriptions during the period by the average number of mobile voice and data subscriptions in the same period. The average number of mobile voice and data subscriptions does not include postpaid mobile voice and data subscriptions without an active contract. DNA calculates "the average number of mobile voice and data subscriptions in the period" as the average of (i) the total number of mobile voice and data subscriptions at the beginning of the period and (ii) the total number of mobile voice and data subscriptions at the end of the period.

The figures for the nine months ended September 30, 2016 and 2015 are annualized churn rates. Annualized churn rates are calculated by dividing the total number of disconnections of mobile handset subscriptions in the nine month period by the average number of mobile handset subscriptions during the nine month period, and dividing by the number of months of the period and multiplying by 12 (number of annualized months).

(4) External net sales of the Consumer segment.

(5) External net sales of the Corporate segment.

Section B—Issuer				
(6)	EBITDA	=	Operating result, EBIT excluding depreciation, amortization and impairments	
(7)	Comparable EBITDA	=	EBITDA excluding items affecting comparability[(9)]	
(8)	Comparable EBIT	=	Operating result, EBIT excluding items affecting comparability[(9)]	
(9)	Items affecting comparability	=	Material items outside ordinary course of business such as net gains or losses from business disposals, direct transaction costs related to business acquisitions, write-downs of non-current assets, cost for closure of business operations and restructurings, fines or other similar payments, damages, costs related to a one-time study on the Company's strategic alternatives to grow its shareholder base conducted in 2013 as well as direct transaction costs and cost impacts of the share based compensation plan of the contemplated Offering..	
(10)	Cash flow after investing activities	=	Cash generated from operating activities − cash used in investing activities	
(11)	Net debt	=	Non-current borrowings + Current borrowings − Cash and cash equivalents	
(12)			Interim periods adjusted with 12 months	
(13)	Net gearing	=	$\dfrac{\text{Net debt}}{\text{Total equity}}$	
(14)	Equity ratio	=	$\dfrac{\text{Total equity}}{\text{Total assets} - \text{Advances received}}$	x 100
(15)	Return on investment	=	$\dfrac{\text{Net result before income tax + interest and other finance expense}^{(12)}}{\text{Total equity + Non-current borrowings + Current borrowings (average for the period)}}$	x 100
(16)	Return on equity	=	$\dfrac{\text{Net result for the period}^{(12)}}{\text{Total equity (average for the period)}}$	x 100
(17)	Capital expenditure	=	Defined as additions to property, plant and equipment and intangible assets − business acquisitions − gross acquisition cost of spectrum license − additions through finance leases and asset retirement obligations + annual cash instalments for the spectrum license	
(18)	Operative capital expenditure	=	Capital expenditure − annual cash instalments for spectrum license	
(19)	Operating free cash flow (OpFCF)	=	Comparable EBITDA − Operative capital expenditure	
(20)	Free cash flow to equity (FCFE)	=	OpFCF − adjusted changes in net working capital (changes in net working capital in the consolidated statement of cash flows including an adjustment between Operative capital expenditure and cash-based capital expenditure excluding cash instalments for spectrum licenses and adjusted with the items affecting comparability) − interest paid, net in the consolidated statement of cash flows − cash taxes in the consolidated statement of cash flows − change in provisions in the consolidated statement of cash flows	

	For the nine months ended September 30,		For the year ended December 31,		
	2016	2015	2015	2014 (restated)	2013 (restated)
	(unaudited)		(unaudited, unless otherwise indicated)		
	(EUR in thousands)		(EUR in thousands)		
RECONCILIATION OF CERTAIN ALTERNATIVE PERFORMANCE MEASURES					
Comparable EBITDA					
Operating result, EBIT	**76,736**	**53,802**	**73,093**[(1)]	**25,601**[(1)]	**42,312**[(1)]
Depreciation, amortization and impairments	108,300	119,727	154,622[(1)]	176,626[(1)]	147,094[(1)]
EBITDA[(2)(12)]	**185,036**	**173,529**	**227,714**[(1)]	**202,227**[(1)]	**189,406**[(1)]
Items affecting comparability					
Direct transaction costs of the contemplated Offering	764	—	—	—	—
Cost impacts on the share based compensation plan of the contemplated Offering	3,795	—	—	—	—
Net gains from business disposals	—	(1,055)	(1,055)	—	—
Acquisition related transaction costs	—	—	—	3,290	1,278
VAT fines related to prior periods	—	—	—	630	1,771
Restructuring expenses	—	—	—	4,806	—
Transaction costs related to strategic alternatives study	—	—	—	—	2,554
Total items affecting comparability	**4,559**	**(1,055)**	**(1,055)**	**8,727**	**5,603**
Comparable EBITDA[(3)(12)]	**189,595**	**172,474**	**226,660**	**210,954**	**195,009**
Comparable EBIT					
Operating result, EBIT	**76,736**	**53,802**	**73,093**[(1)]	**25,601**[(1)]	**42,312**[(1)]
Items affecting comparability					
Direct transaction costs of the contemplated Offering	764	—	—	—	—
Cost impacts on the share based compensation plan of the contemplated Offering	3,795	—	—	—	—
Net gains from business disposals	—	(1,055)	(1,055)	—	—
Acquisition related transaction costs	—	—	—	3,290	1,278
VAT fines related to prior periods	—	—	—	630	1,771
Restructuring expenses	—	—	—	4,806	—
Transaction costs related to strategic alternatives study	—	—	—	—	2,554
Impairment of PlusTV brand	—	—	—	12,490	—
Impairment of other intangible assets	—	—	—	8,862	—
Total items affecting comparability	**4,559**	**(1,055)**	**(1,055)**	**30,079**	**5,603**
Comparable EBIT[(3)(12)]	**82,295**	**52,747**	**72,038**	**55,680**	**47,914**

(1) Audited.

(2) DNA defines EBITDA as operating result, EBIT, before depreciation, amortization and impairments.

(3) DNA presents comparable EBITDA and comparable EBIT in addition to EBITDA and EBIT to reflect the underlying business performance and to enhance comparability from period to period. Comparable performance measures exclude items affecting comparability being material items outside ordinary course of business such as net gains or losses from business disposals, direct transaction costs related to business acquisitions, write-offs 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 conducted in 2013 as well as direct transaction costs and cost impacts on the share based compensation plan of the contemplated Offering.

Section B—Issuer

	For the nine months ended September 30,		For the year ended December 31,		
	2016	**2015**	**2015**	**2014 (restated)**	**2013 (restated)**
	(unaudited)		**(unaudited, unless otherwise indicated)**		
	(EUR in thousands)		**(EUR in thousands)**		
Comparable EBITDA[(4)]	**189,595**	**172,474**	**226,660**	**210,954**	**195,009**
Operative capital expenditure[(5)]	(84,878)	(83,740)	(147,950)	(142,839)	(121,701)
Operating free cash flow (OpFCF)[(6)(12)]	**104,716**	**88,734**	**78,710**	**68,115**	**73,308**
Interest paid, net[(7)]	(5,225)	(4,439)	(7,792)	(9,183)	(7,727)
Income taxes paid[(8)]	(552)	2,986	2,096[(11)]	(10,678)[(11)]	(17,731)[(11)]
Adjusted change in net working capital[(9)]	(15,063)	(5,134)	37,917	(2,175)	(27,200)
Change in provisions[(10)]	(2,965)	(5,481)	(9,447)[(11)]	2,620[(11)]	(1,412)[(11)]
Free cash flow to equity (FCFE)[(12)]	**80,910**	**76,666**	**101,484**	**48,699**	**19,238**

(4) Comparable EBITDA is defined as EBITDA excluding items affecting comparability.

(5) Operative capital expenditure is defined as Capital expenditure excluding annual cash instalments for spectrum license of EUR 6.7 million for years 2015, 2014 and 2013.

(6) Operating free cash flow defined as Comparable EBITDA less Operative Capital expenditure.

(7) Interest paid, net represents the total amount of interest paid, interest received and other financial items included in the consolidated state-ments of cash flows.

(8) Income taxes paid represents the corresponding amount included in the consolidated statement of cash flows.

(9) Adjusted change in net working capital represents the change in net working capital as included in the consolidated statements of cash flows including an adjustment between Operative capital expenditure and cash-based capital expenditure in order to to present FCFE on a cash basis however, excluding the cash instalment for spectrum licenses. These adjustments to net working capital amounted to EUR (22.6) million in the nine month period ended September 30, 2016, EUR (19.8) million in the nine month period ended September 30, 2015, EUR 2.3 million for the year 2015, EUR 19.9 million for the year 2014 and EUR (1.6) million for the year 2013. Additionally adjusted change in net working capital is presented excluding the items affecting comparability, which were EUR 4.5 million in the nine month period ended September 30, 2016.

(10) Change in provision represents the corresponding amount in the consolidated statement of cash flows. The change in provision in 2014 includes restructuring provision of EUR 1.9 million.

(11) Audited.

(12) The Company believes that the EBITDA, comparable EBITDA, comparable EBIT, operating free cash flow and free cash flow to equity measures provide meaningful supplemental information to the financial measures presented in the consolidated income statement and consolidated statement of cash flows to the company management and the readers of its financial statements of the company's operating result or cash flows. EBITDA, comparable EBITDA, EBIT, comparable EBIT, operating free cash flow and free cash flow to equity measures are not accounting measures defined or specified in IFRSs in accordance with the "*Alternative Performance Measures*" guidance issued by the European Securities and Markets Authority (ESMA) and are therefore considered as alternative performance measures, which should not be viewed in isolation or as a substitute to the IFRS financial measures. Companies do not calculate alternative performance measures in a uniform way, and therefore the alternative performance measures presented in this Offering Circular may not be comparable with similarly named measures presented by other companies. For more information on presentation on alternative performance measures, see "*Certain Matters—Presentation of Financial Information—Alternative Performance Measures*".

Section B—Issuer		
Element	**Disclosure requirement**	**Disclosure**
B.8	**Selected key pro forma financial information**	Not applicable.
B.9	**Profit forecast**	Net sales are expected to increase moderately and the operating result is expected to grow significantly in 2016 compared to 2015. DNA's financial position is expected to remain at a healthy level. *Basis of the Profit Forecast* DNA's profit forecast is based on the Company's management's estimates and assumptions about the development of the Company's net sales, operating result and operating environment. The profit forecast is based on particularly the materialized growth of the subscription base and the realization of effective agreements in the Corporate segment in 2016 as well as signed agreements becoming effective during the last quarter of 2016 and the assumed development of equipment sale during the last quarter of 2016. Further, the profit forecast is based on market data, which the Company utilizes in particular for preparing long-term forecasts. The most significant factors that the Company can influence are good and efficient sales channels and customer service as well as continuous cost control. The factors outside the influence of the Company are mainly related to general economic conditions, which may in particular have an impact on the sale of equipment during the last quarter of 2016. Other factors outside the influence of the Company are other general risk factors related to the industry and business operations.
B.10	**Nature of any qualifications in the audit report on the historical financial information**	Not applicable. There are no qualifications in the audit reports on the historical financial information.
B.11	**Working capital**	The Company believes that the working capital available to it is sufficient for at least the 12 months following the date of this Offering Circular.

Section C—Securities		
Element	**Disclosure requirement**	**Disclosure**
C.1	**Type and class of the securities being admitted to trading**	The Company has one series of Shares, which has an ISIN code of FI4000062385. The Shares were entered in the book-entry securities system maintained by Euroclear Finland on June 27, 2013. Each Share entitles its holder to one vote at the general meetings of shareholders of the Company.
C.2	**Currency of the securities issue**	Euro.
C.3	**Number of shares issued/par value per share**	As at the date of this Offering Circular, the Company's fully paid share capital amounts to EUR 72,702,226 and the total number of Shares is 127,325,850. The Shares have no nominal value.

Section C—Securities		
Element	**Disclosure requirement**	**Disclosure**
C.4	**Rights attached to the securities**	*The rights attached to the Shares are determined in the articles of association as well as the Finnish Companies Act (624/2006, as amended, the Finnish Companies Act) and other applicable Finnish legislation.* *Shareholders' Pre-emptive Right* Pursuant to the Finnish Companies Act, shareholders of a Finnish company have a pre-emptive right, in proportion to their shareholdings, to subscribe for new shares in such company, unless the decision regarding the share issue provides otherwise. **General Meeting of Shareholders** Pursuant to the Finnish Companies Act, shareholders exercise their power to resolve on matters at general meetings of shareholders. **Dividends and Other Distributions of Funds** All of the Shares, including the Offer Shares offered in the Offering, give equal rights to dividends and other distributable funds (including the distribution of the Company's assets in dissolution) after the Shares are entered in the trade register maintained by the Finnish Patent and Registration Office (the **Trade Register**). In accordance with the prevailing practice in Finland, dividends on shares in a Finnish limited liability company, if any, are generally declared once a year. Dividends may be paid and unrestricted equity may be otherwise distributed after the general meeting of shareholders has adopted the company's financial statements and resolved on the amount of dividend or other distribution of unrestricted equity based on the proposal by the board of directors of the company. The payment of a dividend or other distribution of unrestricted equity requires the approval of the majority of the votes cast at a general meeting of shareholders of the company. Pursuant to the Finnish Companies Act, the general meeting of shareholders may also authorize the board of directors to resolve upon payment of dividends and other distributions of unrestricted equity. The amount of the dividend or other distribution of unrestricted equity cannot exceed the amount stipulated by the general meeting of shareholders. The amount of any dividend or other distribution of unrestricted equity is limited to the amount of distributable funds of the company stated in the financial statements upon which the decision to pay dividends or otherwise distribute unrestricted equity are based, subject to any material changes in the financial position of the company since the financial statements were prepared. Distribution of funds, whether by way of dividend or other distribution of unrestricted equity, is prohibited if it is known, or it should be known, at the time such decision is made that the company is insolvent or that such distribution would cause the company to become insolvent.

Section C—Securities		
Element	**Disclosure requirement**	**Disclosure**
C.5	**Restrictions on the free transferability of the securities**	As at the date of this Offering Circular, the Company's articles of association contain redemption and consent clauses. The extraordinary general meeting of the Company on October 25, 2016, decided that these clauses be removed from the articles of association. The removal will only be filed for registration in connection with or immediately prior to the Board of Directors' decisions on the Offering and the registration of New Shares. In case the New Shares are registered in several tranches, these amendments will be registered in connection with or immediately prior to the registration of the first tranche. After the removal of the above redemption and consent clauses, the shares will be freely transferable. The distribution of this Offering Circular or the Offering may be subject to limitations in certain jurisdictions. The Company has not taken any measures to register the Shares or the Offering or any public offering of the Shares outside of Finland. The lock-up agreements concerning the Shares are described in Element E.5.
C.6	**Admission/ regulated markets where the securities are traded**	The Company intends to submit a listing application with the Helsinki Stock Exchange to list the Shares on the official list of the Helsinki Stock Exchange. Trading in the Shares is expected to commence on the pre-list of the Helsinki Stock Exchange on or about November 30, 2016, and on the official list of the Helsinki Stock Exchange on or about December 2, 2016. Trading in the Personnel Shares is expected to commence on or about December 16, 2016. The trading code of the Shares is "DNA" and the ISIN code is FI4000062385.
C.7	**Dividend policy**	The Board of Directors of the Company has adopted a dividend policy pursuant to which the Company targets a dividend payout ratio of approximately 70 to 90 percent of DNA's free cash flow to equity for the year subject to the factors described below. Further, the Board of Directors of the Company have made a conditional resolution in October 2016 to propose to the annual general meeting of the Company to be held in 2017 that a dividend distribution of approximately EUR 70 million is paid out for the financial period January 1, 2016 - December 31, 2016. Pursuant to said resolution, the Board of Directors of the Company have made a conditional resolution in November 2016 to propose, provided that the Company's financial standing permits such distribution, to the annual general meeting of the Company to be held in 2017, that a dividend distribution of EUR 0.55 per share is paid out for the financial period January 1, 2016 - December 31, 2016. The aforesaid dividend per share would correspond to a total dividend of approximately EUR 73 million assuming that the Share Issue is fully subscribed for, the Final Offer Price would be at the mid-point of the Preliminary Price Range and that a total of 50,000 New Shares would be subscribed for in the Personnel Offering at the discount applicable to such New Shares. The payment of dividends, if any, by the Company and the amounts and payment date thereof will depend on a number of factors, including DNA's capital structure, future net sales, profits, financial condition, general economic and business conditions, and future prospects; the ability of the Company's subsidiaries to pay dividends or otherwise transfer funds to the Company; and such other factors as the Board of Directors may deem relevant. There can be no assurance that a dividend will be declared in any given year. If a dividend is declared, there can be no assurance that the dividend amount or the dividend payout ratio will be as described above. Moreover, any dividend paid in a given year will not be indicative of any dividends to be paid in any subsequent year. In any dividend is distributed, all of the Shares will be entitled to the same dividend.

Section D—Risks		
D.1	**Key risks that are specific to the issuer or its industry**	**Risks related to DNA and the industry in which it operates include, but are not limited to:** • Telecommunications in Finland is a mature industry with a high level of competition. • DNA's principal competitors in the Finnish telecommunications market possess greater economies of scale, investment capacity and international collaboration opportunities than DNA, and DNA may not be able to successfully compete with them. • New competitors may enter the Finnish telecommunications market and gain market share. • Increasing competition from non-traditional voice and messaging offerings may cause DNA's subscription base, ARPU and profitability across all products and services to decline. • DNA faces strong competition in the TV market, both from traditional and non-traditional TV services. • DNA's business is capital intensive and requires ongoing investments in infrastructure. • The telecommunications industry is characterized by rapid technological changes and DNA may not, for instance, have access to new technologies. • DNA is subject to governmental licensing required for the conduct of its operations, and the loss of, or failure to attain licenses may have a material adverse effect on the business. • Abolition of retail roaming charges and uncertainty regarding the level of wholesale roaming charges could have an adverse effect on DNA's business. • DNA is exposed to fluctuations in interconnection payments and changes in mobile termination rates. • Increasing subscriber churn may adversely affect DNA's business. • DNA's failure in maintaining customer satisfaction and managing its brand may have an adverse effect on DNA's business. • Loss of significant customer accounts could negatively affect DNA. • Changes in the regulatory environment could adversely impact DNA's business operations and increase costs. • DNA's business is dependent on information technology systems and these systems are subject to several inter-related risks. • Infrastructure failure could have an adverse effect on DNA's business. • DNA relies on suppliers and partners in many areas of its operations and is dependent on the availability, quality, reliability and performance of those suppliers and partners as well as their products and services. • Failure to maintain an effective system of internal control over financial reporting could have a material adverse effect on DNA's business and the trading price of its shares. • The implementation of "*IFRS 16—Leases*" and "*IFRS 15—Revenues from contracts with customers*" may require DNA to change its accounting and operational policies or restate its consolidated financial statements.

Section D—Risks		
		• DNA is subject to significant minimum purchase and marketing commitments which it may not be able to meet. • The effectiveness of DNA's internal and external sales channels as well as its customer care systems has a significant impact on its business operations. • DNA does not have guaranteed access to television content and is dependent on its relationships and cooperation with content providers and broadcasters. • Illegal downloading or other unauthorized use of DNA's TV services may affect DNA's business negatively. • Revenue from DNA's fixed voice offerings may decline at a rate higher than anticipated. • Acquisitions and other corporate arrangements are subject to risks and uncertainties. • Failure to comply with laws and regulations may expose DNA to significant penalties and other sanctions. • DNA collects and processes personal data as part of its daily business and the leakage of such data could result in fines, loss of reputation and subscriber churn. • DNA faces risks relating to its collaborative operations and joint ventures. • DNA faces risks relating to its joint operation Suomen Yhteisverkko Oy. • DNA's actual results of operations may differ materially from the financial targets included in this Offering Circular and investors should not place undue reliance on the financial targets or view them as guarantees of future performance. • DNA's results of operations and profitability could be materially and adversely affected by volatile, negative or uncertain general economic conditions in Finland or affecting Finland. • DNA is exposed to credit and counterparty risks. • The loss of important intellectual property rights, including DNA's key trademarks and domain names, could adversely affect its competitiveness. • DNA's business may be adversely affected by actual or perceived health risks and other environmental requirements relating to mobile telecommunications radio transmission equipment and terminal devices. • DNA's insurance coverage may not be sufficient. • DNA may not be able to attract and retain key personnel. • Labor disputes and statutory payments related to terminations of employments may negatively affect DNA's business operations. • Misuse or negligence relating to DNA's products, services, infrastructure or systems may adversely affect DNA's business operations.

Section D—Risks		
		• Difficulties in accessing additional financing or complying with the financial covenants included in DNA's credit facilities as well as increases in costs of financing could have an adverse effect on DNA's financial position. • DNA is exposed to changes in interest rates. • A possible impairment of goodwill, other intangible or tangible assets could have adverse effects on the Company's financial condition and results of operations. • DNA's tax burden could increase as a result of changes in tax laws or their application or as a result of adverse outcomes of tax audits.
D.3	**Key risks that are specific to the securities**	**Risks related to the Offering Shares and, the Listing include, but are not limited to:** • The Shares have not previously been subject to trading on a regulated market, and, thus, the share price may be volatile and an active and liquid trading market may not develop for the shares. • There is no certainty about the possible distribution of dividends and repayment of capital in the future. • Share ownership is concentrated, and the largest shareholders will continue to have significant decision-making power. • Future issues or sales of a significant number of shares may have a negative effect on the market value of the Company's shares and potential future share issues may dilute the ownership of existing shareholders. • Subscriptions made in the Offering cannot be cancelled or amended. • Certain foreign shareholders may not necessarily be able to exercise their pre-emptive right set forth in the Finnish Companies Act or other shareholders' rights. • There are costs associated with the Listing and it will place new obligations on the Company relating to operating as a listed company. • Although the Company does not expect to be a passive foreign investment company, or a PFIC, for U.S. federal income tax purposes in the foreseeable future, no assurance can be given in that regard, and if the Company were a PFIC for any taxable year, certain adverse U.S. federal income tax consequences could apply to U.S. investors. • Investors with a reference currency other than the euro will become subject to certain foreign exchange risks when investing in the Shares.

Section E—Offer		
E.1	**Net proceeds/ estimate of expenses**	See Element E.2a
E.2a	**Reasons for the offer/use of proceeds/estimated net amount of the proceeds**	**Reasons for the Offering** The objective of the Offering is to position DNA for its next development phase. The Offering will enable the Company to obtain access to capital markets, expand its ownership base and increase the liquidity of the Shares. Additional visibility gained through the Offering is also expected to further increase DNA's recognition among the public and as an employer, and thus enhance DNA's competitiveness.

Section E—Offer		
		Use of Proceeds The Sellers will receive gross proceeds of approximately EUR 377 million from the Share Sale (calculated by using the mid-point of the Preliminary Price Range and assuming that the Sellers sell the maximum number of Sale Shares and the Over-Allotment Option is not exercised. The Sellers expect to pay approximately EUR 10 million in fees in connection with the Offering (calculated by using the mid-point of the Preliminary Price Range. The Company aims to raise gross proceeds of approximately EUR 50 million through the Share Issue by offering New Shares for subscription in the Offering. The number of New Shares to be issued will be determined based on the Final Offer Price of the Offer Shares. The Company would issue 4,766,905 New Shares assuming that the Final Offer Price would be at the mid-point of the Preliminary Price Range and that the Personnel would subscribe for a total of 50,000 New Shares at the discount applicable to such New Shares in the Personnel Offering. The New Shares so issued would represent approximately 3.6 per cent of the Shares and votes after the Share Issue. The Company's fees and expenses related to the Offering are estimated to amount to approximately EUR 12 million, resulting in net proceeds for the Company from the Share Issue of approximately EUR 38 million. The Company expects to use the net proceeds from the Share Issue to strengthen its capital structure and maintain financial flexibility to carry on disciplined growth investments and selective value creative M&A. Additionally, the proceeds will give DNA sufficient financial flexibility for a possible bid in the forthcoming 700 MHz spectrum auction.
E.3	**Terms and conditions of the Offering**	**General Terms and Conditions of the Offering** The Company aims to raise gross proceeds of approximately EUR 50 million by offering new shares in the Company (the **New Shares**) for subscription (the **Share Issue**). The number of New Shares to be issued will be determined based on the final subscription price per Offer Share (as defined below) (the **Final Offer Price**). The Company would issue 4,766,905 New Shares assuming that the Final Offer Price would be at the mid-point of the Preliminary Price Range (as defined below) and total of 50,000 New Shares would be subscribed in the Personnel Offering (as defined below) at the discount applicable to such New Shares. In addition, preliminarily up to 35,950,000 existing shares (the **Sale Shares**, and together with the New Shares, the **Offer Shares**) in the Company are being offered for sale by shareholders selling Sale Shares listed in Annex C of this Offering Circular (the **Sellers**) (the **Share Sale**, and together with the Share Issue, the **Offering**). The Offering consists of (i) a public offering to private individuals and entities in Finland (the **Public Offering**), (ii) a personnel offering to the Personnel (as defined below) (the **Personnel Offering**) and (iii) private placements to institutional investors in Finland and internationally, including in the United States to qualified institutional buyers (QIBs) as defined in Rule 144A (Rule 144A) under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**), pursuant to exemptions from the registration requirements of the U.S. Securities Act (the **Institutional Offering**).

Section E—Offer		
		Finda Oy and PHP Holding Oy (jointly, the **Institutional Sellers**) and Danske Bank A/S, Helsinki Branch (the **Stabilizing Manager**) may agree that the Institutional Sellers shall give the Stabilizing Manager an over-allotment option exercisable within 30 days from the commencement of trading of the Shares on the Helsinki Stock Exchange (which is estimated to occur between November 30, 2016 and December 29, 2016 (the **Stabilization Period**)), to purchase or to procure purchasers for a maximum of 6,064,100 additional Shares solely to cover over-allotments (the **Over-Allotment Option**). The Stabilizing Manager may, but is not obligated to, within the Stabilization Period, engage in measures which stabilize, maintain or otherwise affect the price of the Shares. The subscription period for the Public Offering will commence on November 15, 2016 at 10 a.m. (Finnish time) and end on November 25, 2016 at 4 p.m. (Finnish time). The subscription period for the Institutional Offering will commence on November 15, 2016 at 10 a.m. (Finnish time) and end on November 29, 2016 at 12 noon (Finnish time). The subscription period for the Personnel Offering will commence on November 15, 2016 at 10 a.m. (Finnish time) and end on November 25, 2016 at 4 p.m. (Finnish time). The Company's Board of Directors and the Institutional Sellers have jointly, in the event of an oversubscription, the right to discontinue the Institutional Offering and the Public Offering at the earliest on November 22, 2016 at 4 p.m. (Finnish time). The Company's Board of Directors may discontinue the Personnel Offering in its sole consideration no earlier than November 22, 2016 at 4 p.m. (Finnish time). The Company's Board of Directors and the Institutional Sellers have the right to extend the subscription period of the Institutional Offering and the Public Offering. The Company's Board of Directors has the right to extend the subscription period of the Personnel Offering. The preliminary price range for the Offer Shares in the Institutional Offering and Public Offering is a minimum of EUR 9.85 and a maximum of EUR 11.15 per Offer Share (the **Preliminary Price Range**). The Preliminary Price Range can be changed during the subscription period, which will be then communicated through a stock exchange release. However, the Final Offer Price in the Public Offering shall not be higher than the maximum of the Preliminary Price Range, EUR 11.15 per Offer Share. The subscription price per share in the Personnel Offering is 10 per cent lower than the Final Offer Price in the Public Offering. Thus, the Final Offer Price per Offer Share in the Personnel Offering is EUR 10.035 at maximum. The Final Offer Price will be determined in negotiations between the Company, the Institutional Sellers and the Managers based on the purchase offers of institutional investors in the Institutional Offering (the **Purchase Offer**) after the offer period for Institutional Offering has ended, on or about November 29, 2016 (the **Pricing**). The Final Offer Price and the subscription price per share in the Personnel Offering will be communicated through a stock exchange release and be available on the Company's website at www.dna.fi/ipo immediately after the Pricing and in the subscription places of the Public Offering and the Personnel Offering no later than the business day following the Pricing, i.e. on or about November 30, 2016. A commitment to subscribe for or purchase Offer Shares in the Public Offering or subscribe for Personnel Shares in the Personnel Offering (the **Commitment**) cannot be amended. A Commitment may only be cancelled in the situations provided for in the Securities Markets Act.

Section E—Offer		
		Offer Shares issued in the Public Offering are recorded in the book-entry accounts of investors who have made an approved Commitment on or about the first banking day after the Pricing takes place, on or about November 30, 2016. In the Institutional Offering, the Offer Shares will be ready to be delivered against payment on or about December 2, 2016 through Euroclear Finland. Personnel Shares are recorded in the book-entry accounts of investors who have given an approved Commitment on or about December 16, 2016. The title to the Offer Shares is transferred when the Offer Shares are paid for, the New Shares are registered in the Trade Register and the Offer Shares are recorded in the investor's book-entry account. The Company intends to submit a listing application to the Helsinki Stock Exchange for the listing of the Shares on the official list maintained by the Helsinki Stock Exchange. Trading in the Offer Shares is expected to begin on the pre-list of the Helsinki Stock Exchange on or about November 30, 2016 and on the official list of the Helsinki Stock Exchange on or about December 2, 2016. Trading in the Personnel Shares is expected to begin on or about December 16, 2016. *Special Terms and Conditions of the Public Offering* Preliminarily a maximum of 1,000,000 Offer Shares are offered in the Public Offering for subscription by private individuals and corporations in Finland. Investors, whose domicile is in Finland and who submit their Commitments in Finland, may participate in the Public Offering. In the Public Offering, the Commitment must concern a minimum of 100 Offer Shares and a maximum of 20,000 Offer Shares. When submitting a Commitment, the maximum price of the Preliminary Price Range, EUR 11.15 per Offer Share, multiplied by the number of Offer Shares covered by the Commitment is to be paid for the Offer Shares. A confirmation letter regarding the approval of the Commitments and allocation of the Offer Shares will be sent as soon as possible and on or about December 12, 2016 at the latest to all investors who have submitted their Commitments in the Public Offering. *Special Terms and Conditions of the Institutional Offering* Preliminarily a maximum of 39,981,143 Offer Shares are offered in the Institutional Offering to institutional investors in Finland and internationally. An investor, whose Purchase Offer includes at least 20,001 Offer Shares, may participate in the Institutional Offering. A confirmation of the accepted Purchaser Offers in the Institutional Offering will be provided as soon as practically possible after the allocation of the Offer Shares. Institutional investors must pay for the Offer Shares corresponding to their accepted Purchaser Offer in accordance with the instructions issued by the Managers, on or about December 2, 2016. *Special Terms and Conditions of the Personnel Offering* In the Personnel Offering, a maximum of 50,000 Personnel Shares and, in the event of an oversubscription, a maximum of 250,000 additional Personnel Shares will be offered to all permanent or fixed-term employees in Finland and all agency employees who work at the Company or its wholly owned subsidiaries in Finland during the subscription period, the members of the Board of Directors and the CEO of the Company (the **Personnel**).

Section E—Offer		
		The Personnel Shares are being offered in deviation from the shareholders' pre-emptive subscription right to incentivize and promote the commitment of the Personnel to the Company. The subscription price per share for Personnel Shares in the Personnel Offering is 10 per cent lower than the Final Offer Price in the Public Offering, no more than EUR 10.035. Only the Personnel are entitled to subscribe for Personnel Shares. A Commitment in the Personnel Offering must concern 100 Personnel Shares at minimum. The Personnel Shares are paid in accordance with separate instructions provided to the parties entitled to subscribe.
E.4	**Interests material to the issue/ conflicting interests**	The Sellers sell Shares in the Offering. Furthermore, the Executive Team of DNA and certain other key employees have interests in the Offering due to the share based compensation plan. In addition, the Executive Team of DNA and the Board of Directors of the Company may participate in the Personnel Offering pursuant to its terms and conditions. Certain members of the Board of Directors of the Company have financial interests in the Institutional Sellers and thus they have an interest in the Offering. These members of the Board of Directors of the Company also have a right to give a commitment to subscribe for Offer Shares in the Personnel Offering pursuant to its terms and conditions. The fees of the Managers are partly linked to the amount of the proceeds of the Offering. Each Manager and/or their respective affiliates have performed, and may in the future perform, advisory, consulting and/or banking services for DNA in the ordinary course of their business for which they have received, or will receive, customary fees and expenses. The Company is not aware of any other interest that is material to the Offering.

Section E—Offer		
E.5	**Lock-up agreements**	The parties mentioned below shall agree with the Managers that, during a period ending 180 days from the Listing, i.e. until May 29, 2017 as regards the Company and 360 days from the Listing, i.e. until November 25, 2017 as regards the Institutional Sellers and the members of the Board of Directors, executive officers and certain other key employees of the Company, neither any of these persons nor any party acting on their behalf, save for the Offering and certain other exceptions, will, without the prior written consent of the Joint Global Coordinators, issue, offer, pledge, sell, contract to sell, sell any option rights or contract to purchase, purchase any option or contract to sell, grant any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares or any securities exchangeable for or convertible into or exercisable for, or substantially similar to, Shares, or enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Shares, whether any such transactions are to be settled by delivery of the Shares or other securities, in cash or otherwise. The lock-up does not apply to certain situations, including, as regards the Company, the issue by the Company of any Shares upon the exercise of an option under share option schemes in existence or decided on at the date the Listing and disclosed in this Offering Circular and, as regards the Institutional Sellers and other parties named above, a takeover bid concerning the Company or a Share buyback directed to all shareholders, and does not concern shares other than those owned by the Institutional Sellers and the members of the Board of Directors executive officers and certain other key employees of the Company at the date of admission of the Shares to trading on the Helsinki Stock Exchange. Mutual Pension Insurance Company Ilmarinen and the Sellers other than Institutional Sellers have correspondingly agreed that, during a period ending 360 days from the Listing, i.e. until November 25, 2017 as regards the Sellers other than Institutional Sellers and 90 days from the Listing i.e. until February 28, 2017 as regards Mutual Pension Insurance Company Ilmarinen, these persons will not, without the prior written consent of the Joint Global Coordinators, sell, pledge, transfer or otherwise dispose the Company's shares owned by them. By submitting a Commitment to participate in the Personnel Offering the respective party agrees to be bound by a lock-up in respect of Personnel Shares. In accordance with these lock-up restrictions, parties participating in the Personnel Offering may not, without the prior written consent of the Joint Global Coordinators (which consent may not be unreasonably withheld) during a period ending 360 days after the Listing, i.e. until approximately November 25, 2017, sell, sell short, pledge or otherwise directly or indirectly transfer Personnel Shares, option rights or warrants to purchase Personnel Shares or other securities exchangeable for or convertible into or exercisable for Personnel Shares that they may hold or purchase in the Personnel Offering or be authorized to transfer. Investors participating in the Personnel Offering agree that the lock-up described above can be registered in their book-entry accounts. The lock-ups concern in total approximately 69.2 percent of the Shares and votes after the Share Issue without the Over-Allotment Option (approximately 64.6 percent including the Over-Allotment Option) assuming that the Sellers sell maximum amount of Sale Shares and that the Company issues 4,766,905 New Shares (the number of New Shares is calculated assuming that the Final Offer Price would be at the mid-point of the Preliminary Price Range (as described below) and total of 50,000 New Shares would be subscribed in the Personnel Offering at a discount applicable to such New Shares).

Section E—Offer		
		The Sellers are Finda Oy, PHP Holding Oy, Pargas Telefon Ab—Paraisten Puhelin Oy, Lohjan Puhelin Oy, Puhelinosuuskunta IPY, Jakobstadsnejdens Telefon Ab, Mariehamns Telefon Ab, Anvia Oyj, Ålands Telefonandelslag, Karis Telefon Ab and Vakka-Suomen Puhelin Oy.
E.6	**Dilution**	As a result of the issuance of New Shares in the Offering, the number of Shares could increase to 132,092,755 Shares (the amount of New Shares is calculated assuming that the Final Offer Price would be at the mid-point of the Preliminary Price Range and that DNA's personnel would subscribe for a total of 50,000 New Shares the Personnel Offering at the discount applicable to such New Shares in the Personnel Offering), which corresponds to a dilution for the existing shareholders of approximately 3.6 percent.
E.7	**Estimated expenses charged to the investor**	Not applicable. No expenses will be directly charged to investors by the Company in respect of the Offering.

RISK FACTORS

An investment in the Shares involves a number of risks, many of which are inherent in DNA's business and could be significant. Investors considering an investment in the Shares should carefully review the information contained in this Offering Circular, and in particular, the risk factors described below. The following description of risk factors is based on information known and assessed on the date of this Offering Circular and, therefore, is not necessarily exhaustive. Prospective investors should note that the order in which the risk factors are presented does not necessarily reflect the probability of their realization or order of importance. Should one or more of the risk factors described herein materialize, it could have a material adverse effect on DNA's business, financial condition and results of operations and future prospects. Additional risks and uncertainties presently unknown to DNA or currently considered immaterial by DNA may also have an adverse effect on DNA's business, financial condition, results of operations or future prospects. The market price of the Shares could decline due to the realization of these or other risks, and investors could lose a part or all of their investment.

This Offering Circular also contains forward-looking statements that involve risks and uncertainties. DNA's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Offering Circular. See "Certain Matters—Special Cautionary Notice Regarding Forward-Looking Statements." For definitions of certain terms used in the following description of risk factors, see "Glossary".

Risks Related to DNA's Operating Environment and Business

Telecommunications in Finland is a mature industry with a high level of competition.

The Finnish telecommunications market is characterized by a high use of mobile communications services and steady decline in demand for fixed voice services. Mobile subscription penetration in Finland was 167 percent at the end of 2015, and mobile broadband penetration was 37 percent (source: IDC). Mobile subscription penetration at the end of 2015 was significantly higher than the EU-15 average penetration of 133 percent (in July 2015) (source: IDC), and mobile broadband penetration was also significantly higher than, for example, the average of 12 percent in EU-15 countries (at the end of 2015) (source: IDC). Accordingly, there are limits to the extent to which DNA can continue to grow its mobile subscription base through increased penetration. Penetration of fixed broadband subscriptions in Finland was only 57 percent at the end of 2015, which is lower than the EU-15 average penetration of 68 percent, which is largely a reflection of the relatively high mobile penetration (source: FICORA, IDC). Because of the high mobile subscription penetration in the Finnish telecom markets, any future growth in DNA's business and revenues will depend, increasingly, on its ability to extract greater revenue from its existing mobile subscriptions, in particular through the expansion of data services and adequate pricing models for such services, as well as on the success of DNA's fixed broadband and TV and video services.

There are currently three mobile network operators (**MNO**) in Finland, all with their own network infrastructure and each offering a diversified portfolio of services to both consumer and corporate customers as well as wholesale services to other operators (including the other Finnish MNOs). Competition between the MNOs has been fierce in the past, particularly with respect to attracting new subscribers, and DNA expects competition to remain intensive in the future. DNA may not be able to expand its subscription base by attracting new customers from its competitors due to, for example, their more competitive product and service offerings, brand-name recognition, lower prices, or ability to bundle services, which may, in turn, require DNA to adapt its service offerings, prices and discount policies in order to preserve the attractiveness of its products and services. It is also possible that DNA's competitors attract customers away from DNA and make it difficult for DNA to retain its own subscription base. Aggressive marketing and pricing strategies pursued by DNA's competitors may also force DNA to review and adjust its pricing strategies which could reduce its margins and dilute its earnings.

The Finnish mobile market is characterized by relatively low average revenue per user (ARPU) as compared to other European countries as a result of intense competition. Average monthly mobile ARPU during the year ending December 31, 2015 was EUR 16.9, compared to EUR 18.0 in EU-15 on average in 2015 (source: WCIS and IDC). It is possible that prices will remain at low levels or decrease further in the future. Upselling subscriptions to higher tariff plans and cross-selling services through bundled offerings generally increase ARPU and enhance customer retention. The Company expects that bundling of various telecommunications services, such as offerings comprised of mobile and fixed broadband offerings in one product bundle and offerings that combine these products with TV services or music streaming services may become increasingly common in the market. The Company believes that the bundling of services will also become increasingly common on the corporate market, especially with respect to corporate customers seeking standardized and comprehensive communication solutions, which offers opportunities to increase ARPU and decrease churn. The offering of bundled services may affect the competitive landscape as customers that have subscribed for bundled products are less likely to switch to a different operator for all or part of the bundled services. On the other hand, for instance the possible introduction of mobile handsets with software-based SIM cards in the future could simplify switching to a different operator, which could result in increased customer churn.

Mobile data and broadband plans currently offered by all three leading MNOs generally provide for unlimited data use. Consequently, additional mobile data revenues are mainly derived from encouraging customers to purchase plans with faster data connections for higher monthly fees. If DNA is unable to increase its revenues from existing subscribers, in particular with respect to mobile data, or fails to continue to expand or retain its subscription base, it could have a material adverse effect on DNA's business, financial condition and results of operations.

DNA's principal competitors in the Finnish telecommunications market possess greater economies of scale, investment capacity and international collaboration opportunities than DNA, and DNA may not be able to successfully compete with them.

DNA faces competition from established competitors. DNA's principal competitors, both in mobile and fixed telecommunications services, are Elisa Oyj (**Elisa**) and TeliaSonera Finland Oyj (**Telia Company**). Telia Company is part of the multinational telecom operator Telia Company AB. Both Elisa and Telia Company have a larger market share in Finland in both mobile and fixed telecommunications offerings than DNA. Both have greater investment capacity than DNA and benefit from considerable financing, marketing and personnel resources, brand-name recognition, perceived network quality, customer service and corporate end-to-end solution offerings, and long-established relationships with regulatory authorities, content producers, network providers and international operators. Elisa and Telia Company have more extensive network infrastructure of their own outside of Finland. As DNA's main competitors possess greater resources, they may have better opportunities to respond to different market changes. Such market changes may relate to, among others, regulation, customers' demands or material collective bargaining agreements. In particular, their greater investment capacity and financial flexibility may enable them to implement new technologies faster than DNA or engage in aggressive pricing or marketing at levels unsustainable for DNA. Pricing competition between the three leading MNOs has been intense. Due to its relative size, DNA may not be able to adjust its pricing models to the level of its competitors. This may adversely affect DNA's ability to retain existing customers and to attract new customers, which could have a material adverse effect on DNA's business, financial condition and results of operations.

DNA may not be a preferred partner in Finland for international operators, particularly since both principal competitors have longstanding international networks and contacts with large international operators as well as better resources for negotiating international collaboration agreements. DNA expects the role of major international operators to increase in the future, as for example, demand for machine-to-machine (**M2M**) services increase and global industrial manufacturers may have one preferred international operator who chooses the local operators that provide telecommunications services in Finland. If DNA fails to increase its international collaboration or is not seen as an attractive and reliable local operator, this could have a material adverse effect on DNA's business, financial condition and results of operations.

New competitors may enter the Finnish telecommunications market and gain market share.

DNA cannot assure that new MNOs or other operators will not be established in the Finnish market, thereby increasing competition and pursuing aggressive pricing at levels unsustainable for DNA. In addition, DNA faces competition from, among others, MVNOs that enter into commercial agreements with network operators for network access which they sell to their own customers. As DNA enters into such contracts with MVNOs, the expected increase in their market shares may reduce DNA's margins and revenues. While the market share of MVNOs was less than 1 percent as at September 30, 2016 (source: FICORA), there can be no assurance that existing or new MVNOs will not gain market share in the future. MVNOs may in the future find opportunities to better position themselves to for example profitably offer competitive data plans, especially if unlimited data plans are discontinued by MNOs. DNA could also face intensifying competition in the telecommunications market from operators other than MNOs or MVNOs, for example, in the Internet of Things (**IoT**) market. New MNOs, new or existing MVNOs or other operators gaining market share could have a material adverse effect on DNA's business, financial condition and results of operations.

Increasing competition from non-traditional voice and messaging offerings may cause DNA's subscription base, ARPU and profitability across all products and services to decline.

DNA faces increasing competition from non-traditional voice and messaging offerings, in particular over-the-top (**OTT**) applications, such as Skype, Google Talk, WhatsApp, iPhone/iPad Messenger, Facebook, FaceTime, Snapchat and others. An OTT application is any application or service that provides a product over the internet and bypasses operator distribution. OTT applications are often free of charge for end users, accessible via smartphones and tablets, and allow their users to have access to potentially unlimited messaging and voice services over the internet, thus bypassing more expensive traditional voice and messaging (for example SMS/MMS). OTT service providers leverage existing infrastructure and are often not required to implement capital-intensive business models associated with traditional MNOs like DNA. In addition, services other than voice and messaging may be offered increasingly in the future by DNA's existing and new competitors. Furthermore, companies with strong brand capability and financial strength, such as Apple, Google and Microsoft, may offer OTT services in a much wider geographic area or globally.

With the growing share of smartphones among the Finnish mobile subscription base, an increasing number of customers are using OTT services, and DNA expects this trend to continue. The increasing popularity of OTT services has led to lower usage of traditional voice services and, in particular, SMS and MMS by DNA's customers, resulting in a decline in revenues generated from such services. In addition, other new services may be introduced in the future by non-MNOs offering free of charge services in addition to voice and messaging services, thereby exacerbating the adverse effect on DNA. If non-traditional mobile voice and messaging services or other similar services continue to increase in popularity, and if DNA is not able to successfully adjust its business model according to new market trends, it could cause declines in DNA's ARPU, subscription base and profitability and thereby have a material adverse effect on DNA's business, financial condition and results of operations.

DNA faces strong competition in the TV market, both from traditional and non-traditional TV services.

DNA faces strong competition from a variety of TV service providers, including competitors delivering TV services through cable, Digital Terrestrial Television (**DTT**) or satellite networks or through Internet based technologies, such as IP or OTT. New internet based technologies have not only led to the emergence of new entrants in the TV services market, but also enabled traditional content aggregators to increasingly distribute content directly to end-users bypassing cable, DTT and satellite distribution. Furthermore, once network capability has improved to cope with increased data usage, demand for IP TV services may increase. Fragmentation of the TV services market may also lead to increased competition of content rights and DNA may not be able to source attractive content at a reasonable price or at all. (see "*Risk Factors—Risks Related to DNA's Operating Environment and Business—DNA does not have guaranteed access to television content and is dependent on its relationships and cooperation with content providers and broadcasters.*")

In the first half of 2015, DNA launched a multi-channel DNA TV service, allowing the viewing of TV content in the cable and terrestrial networks as well as the fixed and mobile networks. There can be no assurance that the DNA TV service will be successful or that the user experience or content offering is attractive in comparison to competing services.

If DNA is unsuccessful in responding to competitive pressures, through its DNA TV service or otherwise, this could cause declines in its subscription base, ARPU and profitability across all of its TV and video products and services and in other services offered by DNA, and thereby have a material adverse effect on its business, financial condition and results of operations.

DNA's business is capital intensive and requires ongoing investments in infrastructure.

Over the last five years DNA has carried out a significant infrastructure investment programme, focused on the development of its mobile and fixed networks, information technology platforms and acquisition of mobile spectrum. The last three years of the programme have been carried out at an accelerated pace.

DNA's investments in its mobile network have been driven primarily by the accelerated roll-out of 4G technology, which is expected to reach 99.6 percent of the population of mainland Finland by the end of 2016. DNA acquired 2 × 10 MHz of mobile spectrum in the 800 MHz frequency band in the 2013 spectrum auction for EUR 33.6 million. Standardization of 5G is ongoing at the moment, but DNA does not expect any commercial roll-out of the technology before 2020 at the earliest. Any overall network strategy going into 5G has not yet been defined, including spectrum to potentially be used in 5G.

The fixed operative capital expenditure includes rollout of new service platforms and end-customer equipment. For example, gigabit grade service level is already available in the Helsinki metropolitan area and Oulu, and DNA expects that gigabit grade speeds will be available to all households within the network footprint by July 2017. Furthermore, DNA has invested in upgrading its IT platforms, focusing mostly on systems providing support for marketing, billing and data analytics in the consumer business.

DNA plans to continue to invest in maintaining and expanding its infrastructure in the future. Some of the future investment needs are likely to arise from increased mobile data usage, requiring investments in additional capacity, network maintenance and network optimization technology, as well as increased fixed broadband speed requirements and other factors.

DNA's ability to recoup its costs and obtain sufficient return on its investments and manage its financial position while pursuing a high level of capital investment is dependent on the market demand for and the pricing of services offered by DNA, such as faster mobile data and fixed broadband connections. If the demand for these services is lower than expected, or if DNA is unable to provide such services with a competitive pricing strategy, or if new or improved technologies make DNA's infrastructure obsolete, DNA may not be able to recoup its costs and profit from its operative capital expenditure.

The amount and timing of DNA's future capital requirements may differ materially from its current estimates due to various factors, many of which are beyond DNA's control. If network usage or technology develops faster than DNA anticipates or the competitive environment so demands, DNA may require greater capital investments in shorter time frames than anticipated and may not have the resources to make such investments. Furthermore, DNA's IT, customer management and billing systems will require investments in the future which could be significant in particular as DNA has decided to integrate its billing systems. Any failure to execute on such investments could have a material adverse effect on DNA's business, financial condition and results of operations.

The telecommunications industry is characterized by rapid technological changes and DNA may not have access to new technologies.

The telecommunications industry is characterized by rapidly changing technology and related changes in customer demand for new products and services at competitive prices. The market continues to witness the emergence of, or increased demand for, new technologies, such as on-demand video and program library services as well as entertainment services that utilize multiple devices and distribution technologies. Technological developments may shorten product life cycles and facilitate convergence of various segments in the telecommunications industry. There can be no assurance that DNA's existing or new competitors will not introduce new or technologically superior telecommunications services as compared to services offered by DNA. Such development work always involves significant risks. DNA may not be able to, for example, successfully acquire, develop, adopt, integrate or deploy such new technologies in a timely manner or at all.

At the time DNA selects and advances one technology over another, or decides on whether to emphasize a specific technology, it may not be possible to accurately predict which technology may prove to be the most economical, efficient or capable of attracting subscribers or stimulating usage, or how rapidly any competitor focuses on a particular new technology, and DNA may develop or implement a technology that does not achieve widespread commercial success or that is not compatible with other newly developed technologies. Should any of the risks described above materialize, these may increase churn, reduce revenue and have a material adverse effect on DNA's business, financial condition and results of operations.

DNA is subject to governmental licensing required for the conduct of its operations, and the loss of, or failure to attain licenses may have a material adverse effect on the business.

The provision of DNA's mobile network services, DTT network and radio links requires licenses and DNA is dependent on maintaining the required licenses to operate its business. Telecommunications licenses are granted by the Council of State separately for certain frequency band intervals and/or technologies. In addition, licenses must be sought from FICORA for the use of radio transmitters and respective spectrum frequencies. The mobile network licenses are granted for fixed periods of up to 20 years, and have previously been granted through comparative procedureset out in the Finnish Information Society Code (917/2014, **ISC**) or in the Finnish Communications Market Act (393/2003) or, in the case of the 2,500 MHz and 800 MHz spectrum licenses redistributed in 2009 and 2013 respectively, through an auction. DNA cannot guarantee that it will retain or renew the licenses it currently holds or that it will be able to acquire licenses that may be auctioned or otherwise distributed in the future. The renewal or acquisition of any licenses may also come at significant cost. Moreover, DNA cannot guarantee that its licenses will not be cancelled if DNA fails to fulfil the license requirements (see "*Regulation—Mobile Regulatory Environment*").

On October 10, 2016, the Council of State issued a decree on an auction of 700 MHz spectrum licenses. According to the decree, the spectrum will be offered in six 2x5 MHz frequency pairs with one bidder being allocated no more than two such frequency pairs. The minimum price in the auction for each of the three 2x5 MHz frequency bands has been set at EUR 11 million. The auction will commence on November 24, 2016, and the spectrum will be available for 4G use as of February 1, 2017. DNA cannot assure that the 700 MHz spectrum license will be awarded within the expected timeframe or at all. Moreover, the license may cost more than anticipated. If DNA is unable to acquire a license in the 700 MHz spectrum, DNA may have to use its other spectrum resources in a way that is not as cost effective. This could result in DNA losing subscribers and incurring increased costs, which could have a material adverse effect on DNA's business, financial condition and results of operations.

In addition, DNA's mobile network licenses and DTT network licenses for multiplexes (**MUXs**) are subject to change of control provisions, whereby the Council of State may cancel a license if the effective control of the license changes as defined in chapter 1 section 5 of the Finnish Accounting Act. The change of control provisions are triggered should the effective control of DNA change following the Offering or in the future. Any changes in the effective control of DNA must be notified immediately to the Council of State. The Council of State will decide whether to cancel the license within two months of the notification (or if the acquisition of control is subject to merger control, of the definitive merger decision).

The current licenses in the terrestrial TV network expire on May 16, 2017. During the application round organized by MINTC in 2015, licenses were granted for the new ten-year license period that begins in May 17, 2017 and ends on January 27, 2027. DNA was awarded renewal of its licenses to very high frequency MUXs (**VHF MUXs**) VHF A, VHF B and VHF C. DNA has entered into a cooperation agreement with Digita Oy to provide DNA with access to digital terrestrial television network transmission capacity for the purpose of distributing TV channels. Digita Oy currently holds licenses to ultra-high frequency MUXs (**UHF MUXs**) UHF A, UHF E and UHF F. As a consequence of Norkring AS announcing in June 2016 that it relinquishes UHF MUXs B, C and D that it had previously been awarded, the licenses for these UHF MUXs were announced for re-application. On November 10, 2016, MINTC announced that Digita Oy was awarded licenses to MUXs UHF B, UHF C and UHF D for a period from May 17, 2017 to January 10, 2027.

Abolition of retail roaming charges and uncertainty regarding the level of wholesale roaming charges could have an adverse effect on DNA's business.

The EU regulates wholesale and retail roaming markets. Under the EU digital single market agenda, the European Parliament and the Council adopted Regulation (EU) 2015/2120 (the **Roaming Regulation**) on November 25, 2015 that amended the roaming regulation from 2012. The Roaming Regulation introduces the abolition of retail roaming charges in the EU as of June 15, 2017, subject to fair usage of roaming services. On the other hand, the Roaming Regulation does not provide for measures on the wholesale roaming market, as additional investigation of market conditions was deemed necessary. On June 15, 2016 the European Commission presented a proposal for amending the Roaming Regulation with regard to wholesale roaming markets. According to the proposal, wholesale roaming charges would be capped at 4.00 eurocents per minutes for calls made, 1.00 eurocents per SMS and 0.85 eurocents per MB of data transferred. The proposal will be considered at EU's co-decision procedure and the proposal may still be significantly amended.

The European Commission published a draft proposal for implementing the Roaming Regulation on September 26, 2016, which confirms detailed provisions on a so called fair use policy and the assessment of sustainability of the abolition of retail roaming charges as well as the application that a roaming operator must submit for such assessment. The implementing regulation is currently pending and could still be significantly amended.

In recent years DNA has paid greater sums in wholesale roaming charges than it has received from non-Finnish operators. To the extent that wholesale roaming charges would not be capped (or would not be capped at sufficiently low price levels), this would, due to increasing roaming traffic in the EU area, expose DNA to potentially increasing roaming charges payable to other roaming operators that DNA only to a very limited extent will be able to set off against roaming charges collected from its subscribers or against wholesale roaming charges collected from operators roaming in DNA's network in Finland because of the abolition of retail roaming charges. Further, roaming traffic among DNA's subscribers may increase if the abolition of retail roaming charges or including the required roaming traffic in retail payments for domestic usage effectively will result in retail subscribers paying less for roaming services and thus encourage increasing use of such services, which in turn likely would exacerbate the adverse impact on DNA. The effect on national operators is expected to be particularly significant given the current market environment of unlimited data plans in Finland. In addition, the amount of data usage among DNA's subscribers is expected to significantly increase in the future.

The final results or impacts of the Roaming Regulation reform are not yet known and the reform involves several risks and uncertainties arising from, among others, the abolition of retail roaming charges and the maximum level of wholesale roaming charges. The reform of the Roamig Regulation may have a material adverse effect on DNA's business, financial condition and results of operations.

DNA is exposed to fluctuations in interconnection payments and changes in mobile termination rates.

DNA receives interconnection revenues from other operators for traffic terminated on its network and DNA pays inter-connection fees to other operators for traffic terminated on their networks. Mobile termination rates (**MTRs**) are the interconnection fees that MNOs charge for calls terminating on their respective networks. In Finland, MTRs have in the past been agreed upon in bilateral negotiations between MNOs. MTRs agreed between the MNOs have been accepted by the Finnish Communications Regulatory Authority (**FICORA**), and FICORA has previously not officially set, or forced MNOs to agree upon, certain MTRs. Following demands by the European Commission, FICORA has for the first time in August 2015 set a cost-oriented maximum price for MTRs, thereby reducing the maximum price from 1.87 eurocents per minute to 1.25 eurocents per minute. The maximum price applies between December 2015 and December 2018.

In light of the European Commission's efforts to achieve a further decrease in MTRs in Europe, MTRs have decreased significantly in recent years, from 2.80 eurocents per minute in December 2012 to 1.25 eurocents per minute as of December 2015. Current MTRs are still above the level that is required by the European Commission due to the regulation in the ISC, which requires the MTRs to be based on cost-oriented pricing and on a level that is fair and reasonable to the operator. The European Commission held a public consultation that ended in June 2016 in relation to MTRs, and further action by the European Commission is expected in the near future. DNA expects that there may be significant further decreases in MTRs in the future.

On September 14, 2016, the European Commission published a proposal for the reform of the framework for electronic communications (see "*Regulation—Pending Regulatory Matters—The European Commission's proposal on the renewal of the regulatory framework for electronic communications*"). The directive establishing the European Electronic Communications Code (COM/2016/0590) included in the proposed reform of the framework includes a proposal, according to which FICORA should set symmetric maximum termination rates calculated on the basis of an efficient operator model prepared by the European Commission (bottom-up long-run incremental traffic-related costs). In addition, the proposal concerns determining maximum termination rates in the future. The maximum termination rates should be at most 1.23 eurocents per minute for mobile network and 0.14 eurocents per minute for fixed network. In case the final regulation is implemented in accordance with the proposal, it could have a material adverse impact on DNA's business.

In recent years DNA has generated more interconnection revenues (for accumulated traffic from subscribers of other operators that terminates on DNA's network) than it has paid interconnection fees (for accumulated traffic from DNA's subscribers that terminates on another operator's network), but there can be no assurance that DNA will continue to be a net receiver of interconnection payments in the future. Because MTRs are a key driver of DNA's interconnection revenues and of DNA's interconnection fees, any change in MTRs or fluctuation in interconnection traffic between DNA's and the other operators' networks could have a negative impact on the interconnection revenues that DNA generates and the interconnection fees that it pays, which could have a material adverse effect on DNA's business and results of operation.

Increasing subscriber churn may adversely affect DNA's business.

DNA's ability to retain its market share will depend in large part upon its ability to convince subscribers to switch from competitors to DNA's services and DNA's ability to minimize subscriber deactivation rates, referred to in the industry as customer "churn". Any increase in customer churn may lead to a need to reduce DNA's costs rapidly to preserve DNA's margins or, alternatively, take measures that will increase its subscriber acquisition and retention costs. For instance, most of DNA's mobile subscribers are not required to enter into long-term service contracts and DNA cannot be certain that they will continue to use its services in the future. Some consumer subscribers who have entered into a service contract with a definite term of 12 or 24 months may cancel such contract prematurely for a fee and without notice. In addition, any such subscriber may cancel the subscription without a fee upon expiration of the term of the contract with limited advance notice. Moreover, the fixed monthly subscription fees payable by DNA's postpaid customers may be low and may encourage subscribers to start using the services of another provider at the same time as they are under contract with DNA. This may be a prelude to the cancellation of their contract. Additionally, competitors may improve their network speed and quality, pricing strategies, customer service experiences and marketing campaigns, and therefore their ability to attract subscribers away from DNA. DNA's inability to retain or attract customers would increase churn, reduce revenue and could have a material adverse effect on DNA's business, financial condition and results of operations.

DNA's failure in maintaining customer satisfaction and managing its brand may have an adverse effect on DNA's business.

In order to maintain and improve customer satisfaction, DNA has placed special emphasis on customer service development e.g. by shortening the queueing times of DNA's phone service, further development of training, coaching and customer services processes and systems as well as expansion of service advisor competence. In addition, online customer service has become an essential component of the overall customer service offering and DNA expects it to gain importance in the future. However, if DNA fails to provide its customers with sufficient service and product offerings, service levels and customer service that meet the customers' needs and expectations, it could negatively affect DNA's brand, making it more difficult for DNA to attract new customers. DNA's margins may also be impacted adversely if it is required to incur additional marketing and other expenses in order to attract new subscribers and retain existing subscribers.

DNA launched its new single-brand strategy in April 2015 to improve brand recognition and highlight DNA's position as one of the leading operators in the Finnish telecommunications market. The previously separate DNA Business, DNA Welho and DNA Kauppa brands were fused into the new DNA brand which conveys a more unified brand identity to customers in all encounters. DNA's TV and video services and fixed broadband services are provided by its subsidiary DNA Welho Oy. One of DNA's competitors uses a multi-brand strategy enabling it to differentiate consumer and corporate customer brands and to use targeted low-cost brands while maintaining higher prices for their premium brands. A single-brand may be more vulnerable to a reduced brand image as it affects all service offerings compared to affecting limited offerings offered under the brand whose public perception has been negatively affected in case of a multi-brand strategy. There can be no assurance that DNA's single-brand strategy is successful. Should DNA's brand suffer adverse developments, regaining any lost reputation value might prove impossible or give rise to significant costs. Furthermore, the increased use of social media continues to change the landscape with respect to effective brand management and customers' perception of the market and the operators.

Maintaining the reputation of and value associated with DNA's brand is central to the success of its business. Failure to maintain high ethical, social and environmental standards for its operations, or adverse publicity regarding DNA's response to these concerns, could harm DNA's reputation. To a certain degree, DNA is able to control the reputation and visibility of its brand, but external factors over which DNA has no control can also be significant. DNA's brand may also be affected by actions by or issues related to its customers or business partners. Any acts, wrongdoings or non-compliance with any laws, rules and regulations by DNA's employees, suppliers or business partners may harm DNA's business and brand, and DNA may need to assign significant resources to rebuilding its business and brand.

If DNA fails to maintain a positive public perception of DNA's products and services, as well as to effectively maintain or improve its customer satisfaction rates, this may increase churn, reduce revenue and have a material adverse effect on DNAs business, financial condition and results of operations.

Loss of significant customer accounts could negatively affect DNA.

DNA has some large customers both in the Corporate segment (such as cities, hospitals and large enterprises) and the Consumer segment (such as housing associations bundling a large number of subscribers under a single collectively-bargained contract, or big rental companies such as SATO Oy and VVO-Yhtymä Oyj). A housing association is a limited liability company, the purpose of which is the ownership or possession of buildings with shares in the housing association conferring the right to possess a specific residential apartment or other part of a building held by it. In particular, DNA depends on its ability to maintain customer relationships with its existing housing association and big rental company customers and its ability to attract new housing associations as customers for its fixed broadband and cable TV offerings. Contracts with housing associations and big rental companies cover a significant part of DNA's fixed broadband and cable TV customer base, and housing association and big rental company customers form a large pool of subscribers that may be offered faster and more expensive fixed broadband connections as well as pay TV offerings. If a contract spanning one or more housing associations or big rental companies is terminated, then all faster connections upsold to individual subscribers covered by the housing association contract also would terminate. Further, DNA delivers extensive communication services of high value to its large customers in the Corporate segment and thus extracts material revenue streams from such customers. The loss of any of these customers could have a material adverse effect on DNA's business, financial condition and results of operations.

DNA has lost cities, hospitals, housing associations and other large customers in the past, and DNA's inability to maintain or renew existing relationships and arrangement with its large customers or enter into new contracts on commercially favorable terms may increase churn, reduce revenue and have a material adverse effect on DNA's business, financial condition and results of operations.

Changes in the regulatory environment could adversely impact DNA's business operations and increase costs.

The Finnish telecommunications market is characterized by stringent regulation both on a national and EU level, and DNA is subject to supervision by a number of Finnish authorities, including MINTC and FICORA. The supervision and guidance of EU authorities (such as the European Commission and Body of European Regulators for Electronic Communications, BEREC) may increase in the future, which could limit taking into account the national conditions in Finland and could have an adverse impact on DNA's business. The authorities' ability to influence the price of DNA's products and services and the wholesale products DNA acquires from other operators, as well as the cost structure and the grounds on which frequencies are distributed, have a significant impact on DNA's business. In addition, the rate at which the EU and/or the Finnish government issues and enforces regulations may increase, which would also have an impact on DNA's business. DNA is also subject to various regulatory fees, including a yearly information society fee as well as TV and network license fees, and regulatory fees are likely to increase in the future. (see "*Regulation—Regulatory Fees*")

The regulatory environment in which DNA operates is evolving and significant regulatory changes have affected, and will continue to affect, DNA's business. The ISC entered into force January 1, 2015 and contains extensive consumer protection regulations binding on DNA, such as a provision regarding the joint liability of telecommunications network operators, service providers and sellers. The provisions of the ISC will continue to affect DNA's ability to conduct its business. In addition, other regulation, such as the requirement to carry certain TV channels and restrictions on how much DNA can charge for carrying those channels, adversely affect the pricing or costs of its products and could also adversely affect its sales and results of operations.

On September 14, 2016, the European Commission published a proposal for the reform of the framework for electronic communications (see "*Regulation—Pending Regulatory Matters—The European Commission's proposal on the renewal of the regulatory framework for electronic communications*"). The reform for the framework includes proposals concerning, among other things, market regulation, spectrum management and use of radio frequencies, universal service obligations, regulation concerning electronic communications services, confidentiality of electronic communications, numbering, consumer protection and authorities for electronic communications. Implementing the proposed provisions and regulation into Finnish legislation may lead to material changes in DNA's regulatory environment and thus have an adverse impact on DNA's business as well as increase DNA's expenses.

The Finnish Government is also in the process of drafting reconnaissance legislation, one area of which concerns communications reconnaissance. If realised, this initiative could cause Finnish telecommunications operators to incur significant additional costs and could weaken the confidence that users of communications services have in in the confidentiality of communications. This could, in turn, have a material adverse effect on DNA's business, financial position and result of operations. (For more details on changes to reconnaissance legislation, see "*Regulation—Pending Regulatory Matters—Legislative Proposals for New Finnish Reconnaissance Legislation.*"

DNA develops its products and services based on existing regulations and technical standards. As a result, changes in various types of regulations, and their application and impact on current or new technologies or products, may adversely affect DNA's business and results of operations. Furthermore, certain regulatory approvals may be required for example to operate tower or mast sites and cable fixed network.

Since the amendment of the Copyright Act in June 2015, DNA is also subject to an obligation to remunerate the author for the retransmitting pursuant to the must carry obligation set forth in the ISC, unless DNA demonstrates that the remuneration has already been paid in the context of obtaining the transmission rights.

The Roaming Regulation provides common rules to ensure the equal and non-discriminatory treatment of communications in the offering of internet connection services and to secure the end-user rights related thereto. Net neutrality regulations and new definitions by the authorities will require a certain amount of changes to DNA's services and contractual terms and conditions. The changes will be carried out during 2016 to the extent possible. The changes to the products and services required by the Roaming Regulation may cause additional expenses, require additional investments or prevent fully exploiting future investments in production (see "*Regulation—Pending Regulatory Matters—EU Roaming and Net Neutrality Regulation*").

The nature and timing of regulatory changes are beyond DNA's control and any new laws or regulations affecting DNA's operations or services, as well as any amendments to, or new interpretations of, the existing laws and regulations may affect its competitiveness generally, increase costs operation or change how DNA conducts its business, or change how it prices its products. Any such changes could have a material adverse effect on DNA's business, financial condition and results of operations.

DNA's business is dependent on information technology systems and these systems are subject to several inter-related risks.

DNA's IT and network resources and infrastructure are essential for the provision of DNA's core services to end-users, forming the basis for innovative telecommunications services. DNA's information technology architecture includes several complex intra- and inter-linked systems that are periodically updated and integrated with new systems. Due to DNA's history of growth through acquisitions, DNA relies on numerous inter-linked systems across multiple functions, including its IT systems. If these systems are not maintained adequately, or if the systems are not able to provide a basis to support new or expanded products or services, this could have an adverse effect on DNA's ability to service its subscribers.

DNA continuously upgrades and develops its information technology systems and during 2015 DNA launched more than 30 IT projects to provide a better, seamless customer experience. DNA cannot guarantee that these systems will continue to work together harmoniously in the future or that the IT improvements will work as expected, and DNA may not realize the anticipated benefits or results of its ongoing development projects. In addition, DNA began to streamline and develop its billing systems in 2015, and expects the system upgrade to be completed in 2019. If DNA is unable to integrate its current billing systems in the anticipated time or at all, it could increase costs and adversely affect customer experience. Further, many of DNA's development projects involve challenges, which could delay the projects or cause unexpected expenses, compatibility challenges or deviations in quality. Should any of the risks described above materialize, these would have a material adverse effect on DNA's brand perception and customer satisfaction.

If DNA's development projects are delayed from the planned schedule, this could have detrimental effects on DNA's ability to provide its customers with their existing services or services that have been agreed to be provided. It is possible that DNA would no longer be able to provide existing services or the provision of services could be delayed or unexpected errors could occur in the provision of services. For example, the provision of some new corporate business communications solutions requires the completion of several IT development projects, such as commissioning systems for billing and mobile network as well as reporting systems.

Digitalization of society, industrial internet, new smart devices as well as the growth in cloud services and wireless connections have significantly increased and the development has initiated focus on cybersecurity and and cyber threats in addition to IT security and data protection. On top of viruses and different spyware and malware programs, companies and other corporations also face various forms of spying, data theft and other online criminality exploiting system vulnerabilities, and DNA is also subject to these risks.

DNA's system upgrades may result in changes in the tasks, work descriptions and competence requirements of DNA's employees and subcontractors. DNA may fail to manage these changes, which could have a material adverse impact on DNA's business, financial conditions and results of operations.

DNA has experienced failures in its IT systems before, and any recurrent problems in the future could result in revenue losses and costly process impairments. In addition, among other things, as the telecommunications sectors have become increasingly digitalized, automated and online-based, DNA has become exposed to increased risks of hacking, cyber attacks as well as intentional breaches of data, network and software. Moreover, the increased use of cloud services for data storage may exacerbate the risk of general information technology system failures. Should any of the above risks materialize, it may affect the quality of DNA's services, cause service interruptions or compromise the confidentiality of its subscriber data, which could harm DNA's reputation and market share and could have a material adverse effect on its business, financial condition and results of operations.

Infrastructure failure could have an adverse effect on DNA's business.

DNA's entire network and IT infrastructure are vulnerable to damage and disruptions from numerous events, including fires, floods, windstorms, ice storms and other natural disasters, power outages, human error, terrorist acts as well as equipment and system failures. Despite certain duplication and back-up of systems and connections, there can be no assurance that DNA will not experience unanticipated problems at its network or IT infrastructure or the infrastructure of third-party owned local and long-distance networks on which DNA relies for the implementation of network services or the provision of interconnection and roaming services. These unanticipated problems may include network or system failures, hardware or software failures, disconnections or other malfunctions. Such losses may not be covered by insurance, and DNA may not have sufficient resources to make necessary repairs or replacements, or such repair or replacement work may cause DNA to incur significant costs. Also, DNA may not be able to complete repairs or replacements of its network, or may not be able to do so in a timely manner.

DNA's business is particularly dependent on certain sophisticated, critical systems, including exchanges, core network equipment, service systems and other key network elements as well as its billing and customer service systems. These systems and hardware are housed in a relatively small number of critical equipment locations. If damage or other problems were to occur to any of these critical locations or systems, it could have a material adverse effect on DNA.

In addition, DNA's business is dependent on having access to an undisrupted power supply. Large parts of the electricity used by DNA in its network is transferred in sparsely populated areas through transmission lines above the ground which are particularly susceptible to damage and disruptions by storms and other bad weather conditions. DNA has experienced significant disruptions to the supply of electricity in the past which have led to regional failures in its networks and disruptions in its services and no assurance can be given that, despite the possible back-up of systems, DNA will not experience disruptions in its services due to distribution network problems experienced by electricity companies in the future.

Any such developments which prevent, interrupt, delay or make it more difficult to provide services to DNA's subscribers may trigger, among others, claims for the payment of standardized compensation, damages or contractual remedies and could result in a negative impact on DNA's reputation and could impair DNA's ability to retain customers or attract new customers, lead to unanticipated capital expenditure or otherwise have a material adverse effect on its business, financial condition and results of operations.

DNA relies on suppliers and partners in many areas of its operations and is dependent on the availability, quality, reliability and performance of those suppliers and partners as well as their products and services.

DNA relies on a number of third-party suppliers and partners in many areas of its business, such as: providers of maintenance services for its networks; suppliers of mobile and fixed network equipment and software; suppliers of devices; providers of call center services; and counterparties to lease agreements for equipment spaces, masts and antenna sites. If DNA loses one of its key suppliers or partners or if its key suppliers or partners do not to provide DNA with adequate services, equipment, supplies and premises, or do not provide them in a timely manner or at a reasonable price, or if these services, devices, products or sites contain malfunctions, defects or other deviations in quality, DNA's ability to retain or attract subscribers or offer attractive product offerings could be negatively affected. This could have a material adverse effect on DNA's reputation, its business, financial condition and results of operations.

DNA is also a larger net lessee than its main competitors in network infrastructure in the Finnish market, so an increase in market prices or regulated prices or a significant increase in the need for network infrastructure could have a negative impact on DNA's competitiveness and cost structure. This could have a material adverse effect on DNA's results of operation.

DNA has entered into supply agreements with certain handset, dongle and tablet manufacturers, including Apple, Huawei and Samsung. Some of these supply agreements contain minimum purchase and marketing commitments (see "*DNA is subject to significant minimum purchase and marketing commitments which it may not be able to meet*"). Manufacturers of handsets and tablets at times restrict their supply, particularly when there is high demand for a particular handset, or during a particular time of the year such as the winter holiday season, during which there may be a shortage of devices, accessories or components of devices. In addition, those suppliers may be able to terminate agreements with DNA on short notice and DNA cannot guarantee that its access to their products will continue. Furthermore, certain equipment vendors have entered into exclusive supply agreements with some of DNA's competitors and may do so again in the future.

Devices offered by DNA, such as mobile handsets, dongles and tablets, may contain malfunctions, defects or other deviations in quality. Some of these malfunctions, defects or deviations in quality could cause significant detriment to DNA's customers, including fire safety risks. In addition to devices generally available in the market, DNA offers its own devices, which are produced by third parties pursuant to DNA's specification. These devices may also contain malfunctions, defects or deviations in quality. The possible problems concerning DNA's own devices may also be caused by DNA's erroneous or unclear specifications or orders. DNA sells devices both to its customers and other device retailers, such as Gigantti. Correcting malfunctions, defects or other deviations in quality may involve significant expenses (including withdrawing and replacing of devices), and DNA may be liable for these expenses. Further, problems concerning devices may affect DNA's reputation and DNA's other services, especially since sale of equipment and sale of services are often connected.

Any malfunctions, defects or other deviations in quality could result in claims for damages or contractual penalties, and could have a negative impact on DNA's reputation, weaken DNA's ability to retain its customers or attract new customers, cause significant unexpected expenses or otherwise have a material adverse effect on DNA's business, financial condition and results of operations.

Some of the products and services delivered by DNA's suppliers are critical to conducting its business, including, in particular, relationships with certain suppliers of services and equipment as well as providers of maintenance services for DNA's networks. Network suppliers have limited products and their inability to supply network equipment in the quantity required may impact DNA's ability to develop its network. Ericsson currently supplies the significant majority of DNA's network equipment. If Ericsson were to terminate its supply agreement with DNA or become otherwise unable to provide the network equipment upon which DNA relies, it may affect DNA's ability to maintain or develop its network and thus have an adverse effect on DNA's business, financial condition and results of operations. In addition, DNA outsources the maintenance of its network and relies on a small number of contractors in each geographical area. Such contractors are frequently relied upon by multiple MNOs and, in the event of an infrastructure failure impacting multiple operators, DNA may be unable to restore its network as quickly or maintain it as effectively as its competitors, or choose which contractor performs the restoration or maintenance. If DNA is unable to develop, maintain or restore its networks as rapidly as its competitors, DNA may lose market share and be unable to retain existing or attract new customers in regions covered by its network.

DNA relies on information technology networks and systems, some of which are managed by third parties. For example, a majority of DNA's core IT systems and software is provided by third-party suppliers. Therefore, DNA is dependent upon the ability of its IT suppliers to provide the technology and, consequently, a potential future deterioration in the relationship with the suppliers could impede DNA's ability to provide its services. While alternative IT suppliers are available, there can be no assurance that DNA would be able to negotiate agreements with new suppliers on commercially reasonable terms and costs and in a timely manner, or at all. DNA's information technology networks and infrastructure, or those of its third-party service providers, could be vulnerable to damage, disruptions, shutdowns or breaches due to employee error or malfeasance. Any quality issues or supply disruptions could adversely affect DNA and have an adverse effect on DNA's ability to attract and retain customers.

DNA has also entered into many product-related partnerships, which are primarily designed to outsource the development of new products, technologies and services to its partners. Such partnerships relate to products such as DNA TV and mobile payments (prepaid or credit option that work with a smartphone). DNA also has a number of corporate sector partnerships relating to for example communication and collaboration services. DNA cannot guarantee that it will continue to be able to rely on these or other partnerships in the future. DNA also cannot guarantee that the partnerships will be economically viable or that the contract terms, including revenue sharing or other models relating to the costs incurred and revenues generated in connection with such joint projects will be attractive for DNA. Furthermore, DNA cannot guarantee that such partners will represent its products as DNA would represent them, that these partnerships will not reflect unfavorably on DNA's brand in the event that there is a problem with a product or service developed by a partner, or that there will not be interruptions in supply of products or services by its partners. DNA has faced problems with its suppliers and partners in the past, including problems with negotiating mutually advantageous terms of cooperation and the loss of a significant partnership. There can be no assurance that DNA will not encounter similar or other issues with its suppliers and partners in the future.

Should any of the risks above materialize, including the loss of a key supplier or partner, it could adversely affect DNA's business, financial condition and results of operations.

Failure to maintain an effective system of internal control over financial reporting could have a material adverse effect on DNA's business and the trading price of its shares.

DNA strives to have in place sound internal controls and systems for risk management that are appropriate to the extent and nature of its operations. The purposes of internal controls and risk management procedures are to ensure the effective and profitable operations of the company, the reliability of information, to prevent abuses and to ensure compliance with all applicable laws, regulations and operating principles while identifying, evaluating, and monitoring risks related to the business operations.

In 2015, DNA identified an error in its invoicing system and DNA's annual financial statements for the years ended December 31, 2013 and 2014 have been retroactively restated in relation to revenue recognition affecting Consumer segment net sales. Net sales of the Consumer segment decreased by EUR 1,339 thousand for the year ended December 31, 2013 and and EUR 1,989 thousand for the year ended December 31, 2014 as a result of the correction. In addition, the PlusTV brand write-off initially recognized in 2014 was understated and was retrospectively corrected by EUR 1,769 thousand in 2015. As a result of the restatements the net result for the period decreased by EUR 3,006 thousand for the year 2014 and EUR 1,011 thousand for the year 2013. In 2016, certain inconsistencies were identified in DNA's financial reporting, in particular relating to reporting the cash impact of capital expenditures and interest payments in the consolidated statement of cash flows and classification of certain balance sheet items. Accordingly, DNA has reclassified certain items in the consolidated statement of financial position as at December 31, 2013 and in the consolidated statements of cash flows for the years ended December 31, 2015, 2014 and 2013 to correspond to its current reporting policy. The audited consolidated financial statements for the years ended December 31, 2015, 2014 and 2013 included in this Offering Circular have been retrospectively restated according to *"IAS 8—Accounting Policies, Changes in Accounting Estimates and Errors"* in respect of the items described above.

Any failure to maintain an effective system of internal control over financial reporting or any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause DNA to fail to report accurately or to prevent abuses. Undetected weaknesses or deficiencies in DNA's internal controls or an inability to remediate future weaknesses, may require prospective or retroactive changes to the consolidated financial statements, or lead DNA to identify other areas for further attention or improvement.

Insufficient internal controls could also cause DNA to report inaccurate financial information which could cause investors to lose confidence in DNA's reported financial information, which could have a material adverse effect on DNA's business, financial condition and results of operations and on the trading price of its shares.

The implementation of "IFRS 16—Leases" and "IFRS 15—Revenue from contracts with customers" may require DNA to change its accounting and operational policies or restate its consolidated financial statements.

The International Accounting Standards Board (the **IASB**) issued *"IFRS 16—Leases"* which will become effective from January 1, 2019, but may be implemented by companies prior to this date, and "*IFRS 15—Revenue from contracts with customers*" which will become effective from January 1, 2018. Although the EU has not yet adopted *"IFRS 16—Leases" as* at the date of this Offering Circular, DNA is considering the changes required by *"IFRS 16—Leases"* and expects to comply with such requirements by the time *"IFRS 16—Leases"* becomes effective. DNA is currently analyzing the potential impact of the first-time application of this standard on its consolidated financial statements.

Given the recent publication of the "*IFRS 16—Leases*" standard and various transition options established by this standard for first-time application, DNA has not yet determined the potential impact of the application of "*IFRS 16—Leases*" to its consolidated financial statements.. However, given that DNA leases a large number of business and telecommunication premises, masts, vehicles and IT equipment from third parties for time periods longer than a year or under cancellable leases, the application of *"IFRS 16—Leases"* in 2019 is expected to have a significant impact on DNA's consolidated financial statements. The impact will result from the fact that current values of lease liabilities of leased premises and other leased assets will be recorded on the balance sheet when the standard is applied. In particular, DNA expects a corresponding significant increase in its assets and lease liabilities. In addition, related operating lease expenses will be reclassified as depreciations and financial expenses. DNA also expects its net debt to EBITDA ratio to increase as a result of the implementation of this standard. Although DNA currently does not expect this to affect its cost of debt or ability to raise new financing, there can be no assurance that this will be the case. See *"—Difficulties in accessing additional financing or complying with the financial covenants included in DNA's credit facilities as well as increases in costs of financing could have an adverse effect on DNA's financial position".*

The *"IFRS 15—Revenue from contracts with customers*" standard includes a five-step process which must be applied for contracts with customers before revenue can be recognized. Revenue may be recognized over time or at a point in time. DNA has assessed the impacts of the *"IFRS 15—Revenue from contracts with customers"* standard on its consolidated financial statements. Based on this assessment DNA has initially identified that changes, among others, will take place in the revenue recognition for bundled sales transactions, accounting treatment of customer loyalty benefits and contract modifications, point of recognition of activation and connection fees as well as in capitalization of sales commissions and fees paid on obtaining a contract more widely than under the current practice. DNA is currently analyzing the impact of these changes to its consolidated financial statements.

As a result of the new IFRS standards, DNA might be required to change its accounting policies, to alter its operational policies so that they reflect new financial reporting standards, or to restate its published consolidated financial statements. Such changes may have an adverse effect on DNA's business, financial position, and profit, or could cause an adverse deviation from DNA's revenue and operating result targets.

DNA is subject to significant minimum purchase and marketing commitments which it may not be able to meet.

DNA's agreements with some of its principal equipment suppliers contain significant minimum purchase and marketing commitments for the terminal devices supplied to DNA. DNA is therefore required to purchase a contractually agreed upon number of terminal devices from such suppliers and, in some cases, spend a certain amount on marketing of such devices, irrespective of the actual demand for these devices in its market. DNA has failed to meet such minimum purchase and marketing spend commitments in the past, and cannot guarantee that the market for such products will enable DNA to sell these devices in such numbers as required under the contractually binding minimum purchase levels in the future, or that it will be positioned to comply with all marketing obligations. In particular, no assurance can be given that customer demand will not shift away from these products permanently, or that customers will be willing to purchase these devices at the set prices. As a result, DNA could incur significant purchase and marketing costs which are not offset by corresponding equipment sales. If the minimum purchase and marketing commitments are not met, DNA may be liable for contractual penalties. Failure to meet minimum purchase or marketing spend commitments with some of DNA's equipment suppliers could materially adversely affect its business, financial condition and results of operations.

Some of DNA's agreements with media companies contain significant minimum purchase commitments. Therefore DNA is required to pay said media companies the agreed minimum price even if its sales remain lower than expected. DNA has failed to sell contents according to its estimates in the past and DNA has been required to pay the minimum price determined in the agreements. DNA cannot guarantee that the markets for said contents enable DNA to sell such contents in a volume that exceeds the level determined in the agreements. If DNA fails to forecast sales volumes of the contents included in DNA's agreements with certain media companies, it could have a material adverse effect on DNA's business, financial condition and results of operations.

The effectiveness of DNA's internal and external sales channels as well as its customer care systems has a significant impact on its business operations.

DNA's own store distribution network is its most important distribution channel. There can be no assurance that DNA's own store distribution network will be successful in the future or that customers will not increasingly move to online marketplaces. In addition, DNA's products and services are distributed through different external sales channels, including consumer electronics retail chains Gigantti and Power, who sell the equipment that DNA sources from its suppliers. These external sales channels are also important to DNA in connection with subscription sales, which form the core of DNA's revenue. No assurance can be given that the large retailers who currently carry DNA's products and services will continue to do so in the future or prefer to sell DNA's products and services over its competitors' products and services. Maintaining existing key retailers could also result in increased costs at the time distribution agreements are renegotiated. In addition, existing retailers or new retailers entering the market could enter into exclusive distribution arrangements with any of DNA's competitors. Loss of key retailers as a distribution channel for DNA's products and services could materially adversely affect DNA's business, financial condition and results of operations.

Furthermore, online or other electronic channels are increasingly important in client service and new client acquisitions for DNA. DNA may fail to develop or control these online marketplaces, which could, in turn, limit its ability to attract and retain customers. DNA may be disadvantaged, and its business may be harmed, if DNA is not able to provide cost-efficient electronic sales channels and online customer service. In 2015 DNA adopted a new online store platform containing many of its services available and there can be no assurance that DNA's online store platform is successful. In particular, without a functioning online sales channel DNA may not be able to reach all potential customers and may not be able to profit from the benefits this sales channel provides in comparison to traditional sales channels. Similarly, online customer service has become an essential component of the overall customer service offering and DNA expects it to gain importance in the future. Failure to develop these cost efficient electronic and online channels for sales and customer service may have a material adverse effect on DNA's business, financial condition and results of operations.

DNA does not have guaranteed access to television content and is dependent on its relationships and cooperation with content providers and broadcasters.

The success of DNA's TV and video business depends on, among other things, the quality and variety of the programming delivered to DNA's subscribers. DNA does not currently produce its own television content and is therefore dependent upon broadcasters and content providers for programming. Rights with respect to a significant amount of premium or high-definition content are held by broadcasters and, to the extent such broadcasters obtain content on an exclusive basis, DNA's ability to obtain certain content could be limited. Furthermore, as DNA continues to develop its Video on Demand (**VoD**) and other interactive services, its ability to source content for its subscription and transaction VoD offerings will be increasingly important and will depend on DNA's ability to maintain relationships and cooperation with content providers and broadcasters for both standard and high-definition content. No assurance can be given that DNA will be able to source attractive content at commercially reasonable terms, or at all. DNA is carrying on negotiations with content providers and broadcasters regarding the content it offers, and expects to carry on such negotiations in the future. Further, if DNA loses one of its key content providers or broadcasters or if they otherwise cease to provide DNA with adequate services, or cannot provide them in a timely manner or at a reasonable price, DNA's ability to retain or attract subscribers or offer attractive services could be negatively affected. In the future it is possible that the internet-based services provided by TV broadcasters increases to the extent that they completely bypass DTT and cable TV and distribute most of their content through the internet, after which DNA might not be able to source content at a commercially acceptable price or at all.

In Finland, online cloud-based personal video recorder services can under the Finnish Copyright Act (*tekijänoikeuslaki 404/1961*) obtain a collective license for internet based TV programs without negotiating with individual rights' holders. However, in certain matters, such rights' holders can under the Finnish Copyright Act prohibit the use of their content under the collective license. Video recording also requires license from the broadcasting company. DNA has obtained such a collective license for cloud-based personal video recorder (**PVR**) services and negotiated necessary cooperation agreements with broadcasters. There can be no assurance that the producers of the video recordings will not use their prohibition right in a manner that binds DNA. Further, there can be no assurance that DNA is able to negotiate individual content distribution agreements or ensure continuation of co-operation with broadcasters or copyright organizations on commercially reasonable terms or at all, nor that copyright societies or individual rights' holders will not assert claims towards DNA for additional license fees or infringements of rights. Technological development can also render current agreements inadequate due to changing business or distribution models. Failure to reach acceptable terms would negatively affect the quality of the content of DNA's services and could ultimately lead to the shutdown of PVR if the customers are not satisfied with the available content. Further, shifting the set-top box strategy to cloud-based solutions may require capital investments in the future to upgrade DNA's network to cope with bandwidth demand.

Since the amendment of the Copyright Act in June 2015, DNA is also subject to an obligation to remunerate the author for the retransmitting pursuant to the must carry obligation set forth in the ISC, unless DNA demonstrates that the remuneration has already been paid in the context of obtaining the transmission rights. However, DNA expects that the must-carry obligation concerning commercial TV channels will expire on December 31, 2016, and thereafter DNA is required to enter into agreements with commercial TV channels regarding the conditions of transmission.

DNA may not be able to reach an agreement with commercial TV channels on the transmission of commercial TV channels in DNA's distribution network. If DNA is unable to reach an agreement regarding a TV channel, DNA's customers will no longer have access to such channel.

Any problems in accessing or the increased price of television content may reduce demand for DNA's existing and future television services and have a material adverse effect on DNA's business, financial condition and results of operations.

Illegal downloading or other unauthorized use of DNA's TV services may affect DNA's business negatively.

DNA operates conditional access systems to transmit encrypted digital TV programs, including its digital pay TV packages. Conditional access systems ensure that customers have paid for pay TV content before being able to watch it, restrict access to programming in particular geographical areas, and facilitate parental controls. The security of DNA's conditional access systems may be compromised by illegal piracy and other means. In addition, DNA's set-top boxes require smart cards before subscribers can receive programming, and DNA's smart cards have been and may continue to be illegally duplicated, providing unlawful access to its television content. There can be no assurances that any new conditional access system security that DNA may put in place will not be circumvented. Encryption failures could result in lower revenues, higher costs and increased cable subscriber churn or otherwise have a material adverse effect on DNA's business, financial condition and results of operations. DNA is also exposed to illegal downloading of pay TV content and the sharing of passwords to stream online content. To the extent that customers are able to consume pay TV content illegally, it may reduce demand for DNA's pay TV services and thus have a material adverse effect on DNA's business, financial condition and results of operations. DNA may also face potential infringement claims from copyright holders in the event that it fails to adequately protect the content from illegal actions. In addition to potential liability for damages, such claims may compromise DNA's existing cooperative arrangements with content owners and affect DNA's operations and results negatively.

Revenue from DNA's fixed voice offerings may decline at a rate higher than anticipated.

DNA expects a continued decline in the number of subscription and net sales derived from the fixed voice offerings as fixed voice subscribers migrate to mobile handset subscriptions as well as other alternatives. For the year ended December 31, 2015, 4.4 percent of DNA's revenues and for the nine months ended September 30, 2016, 3.9 percent were generated from fixed voice services. DNA cannot be sure that such decline will not occur more rapidly than it projects or will be offset by increases in the number of subscription and net sales from mobile data and other sectors of its business or that subscribers will migrate to its other products such as mobile handset subscriptions. If DNA fails to offset declines in the fixed voice offerings with revenue from other business segments and migrate its fixed voice subscribers to other higher margin services, such failure could have a material adverse effect on DNA's business, financial condition and results of operations.

Acquisitions and other corporate arrangements are subject to risks and uncertainties.

DNA has in recent years made several acquisitions, such as Welho operations from Sanoma Entertainment Oy in 2010; DigiTV Plus Oy (**PlusTV**) in 2013; and TDC Oy FINLAND and TDC Hosting Oy (**TDC Finland**) in June 2014. It also established a joint operation, Suomen Yhteisverkko Oy with Telia Company in August 2014. Acquiring companies and businesses is expected to be a part of DNA's growth strategy in the future, and DNA is continuously looking for new targets for acquisitions or other corporate arrangements. If DNA decides to pursue any such transactions, it may be unable to successfully find suitable acquisition targets, alliance partners or joint venture candidates, finance the transactions on acceptable terms or negotiate transaction terms that are acceptable and regulatory restrictions may prevent or hinder the transaction. These transactions involve risks, including exposures and liabilities of the acquired entities or other third parties with whom a transaction is undertaken that may arise from such third parties' activities prior to undertaking a transaction with DNA. Furthermore, DNA may have difficulty in integrating acquired businesses and their products, services, technologies and personnel into its operations. In connection with potential future acquisitions, DNA may incur considerable transaction, restructuring and administrative costs, as well as other integration-related costs and losses (including loss of business opportunities) and acquisitions may also be subject to purchase price adjustments, such as contingency payment arrangements.

Any failure in pursuing or successfully executing such transactions may have a material adverse effect on the Company's business, financial condition, results of operations and future prospects.

Failure to comply with laws and regulations may expose DNA to significant penalties and other sanctions.

DNA is subject to a number of laws, regulations and governmental activities that affect its business operations. Such regulation encompasses antitrust laws and regulations, including those set forth by the Finnish Competition and Consumer Authority (the **Consumer Authority**) as well as laws relating to intellectual property, consumer protection, marketing practices, data protection, employment, construction and land use, among others. While DNA believes that it is in compliance with all material laws and regulations related to its operations, DNA cannot provide any assurances that it has been, is, or will in the future be compliant with these regulations. If DNA has failed or fails to comply with these regulations, it could be subject to significant penalties and other sanctions that could have a material adverse effect on its business, results of operations, financial condition, reputation and brand.

DNA may in the future become involved in commercial disputes as well as legal and arbitration disputes with private parties, which involve substantial claims for damages or other sanctions, for instance arising out of material contracts entered into by DNA, or DNA's business practices, such as comparative advertising being deemed unfair towards its competitors or marketing being deemed misleading. DNA's involvement in legal, arbitration, administrative, regulatory, competition and other proceedings may harm its reputation. Due to the inherent uncertainty of litigation or other proceedings, the ultimate outcome or actual cost of settlement may vary materially from estimates and may differ from the level for which DNA has built provisions.

The Consumer Authority is a state agency whose task is to secure the functioning of the markets. The task of the Consumer Authority's consumer remit is to safeguard consumer interests. The Consumer Authority's Consumer Ombudsman may impose a prohibition reinforced with a penalty payment in certain matters that are not significant with respect to the application of law or otherwise and that are related to misleading advertising, unfair contractual terms, incorrect price information and other unlawful activities. In general, a prohibition issue is resolved by the Market Court based on the Consumer Ombudsman's application. In other case or as an alternative, the Consumer Ombudsman can also refer the issue to the Consumer Disputes Board as a group complaint or initiate class actions. The Company has in the past been subject to claims for breach of consumer protection regulation and prohibited from continuing to use certain marketing practices. There can be no assurance that the Consumer Authority and/or Consumer Ombudsman will not, among other things, order or request the Market Court to order DNA to stop using certain advertising or contract terms in DNA's operations, file for a group complaint to the Consumer Disputes Board or file for a class action to the court and represent DNA's subscribers in such procedures in relation to claims for damages against DNA. All of the aforementioned procedures could have a material adverse effect on DNA's business, financial condition and results of operations.

In addition, current and future antitrust and competition laws may limit DNA's growth and subject DNA to antitrust and other investigations or legal proceedings. DNA has entered, and may enter in the future, into joint ventures and collaborative operations with its local competitors, and such collaborative arrangements could be subject to investigation, inquiries or enforcement under antitrust or competition laws. Any failure to comply with relevant laws and regulations could result in significant sanctions and penalties, such as fines up to 10 percent of DNA's yearly revenues, which could have a material adverse effect on DNA's business, financial condition and results of operations.

Any of the above risks, if materialized, may have a material adverse effect on DNA's business, financial condition and results of operations. For a description of DNA's existing material legal, administrative, regulatory and competition proceedings see "*Business—Legal Proceedings*".

DNA collects and processes personal data as part of its daily business and the leakage of such data could result in fines, loss of reputation and subscriber churn.

In the ordinary course of operations, DNA collects, stores and uses data that is protected by data protection laws. The protection of customer, employee and company data is critical to DNA. Both DNA and certain large corporate and public customers are subject to increasing data security requirements. The EU General Data Protection Regulation (EU 2016/679, **GDPR**) was adopted during the spring of 2016 and goes into effect on May 25, 2018. The GDPR applies to all processing of personal data, meaning any operation performed upon identifiable information of an individual (data subject) within the EU. In addition, the GDPR applies to the offering of goods and services in the EU and to the monitoring of data subjects' behavior within the EU, regardless of the location of the company. Breaches of the GDPR could result in fines of up to EUR 20 million, or 4 percent of DNA's yearly revenues.

Although in the view of DNA's management DNA has, as of the date of this Offering Circular, arranged the handling of personal data within its organization in a manner that fulfils the requirements of data protection legislation in force, it is possible that the personal data systems are misused. Further, DNA may fail to protect personal data in accordance with the privacy requirements provided under applicable laws, and certain subscriber data may be used inappropriately either intentionally or unintentionally, or leaked as a result of human error or technological failure.

DNA has experienced failure to protect subscriber data in the past, and any future breaches of security of DNA's database or its handling of personal data could materially adversely impact DNA's reputation, lead to customer churn and hinder DNA's ability to attract new subscribers. DNA works, among others, with independent and third-party suppliers, partners, sales agents, service providers and call center agents, and DNA cannot exclude the risk that such third parties could also experience systems failures or intentional or unintentional misuses involving the processing, storing or transmission of proprietary information, subscriber data or personal data. Furthermore, the use of OTT services may have implications on data protection and may affect security of customer data as MNOs such as DNA cannot control where data are sent. DNA has limited control over the use of some of the data on its network, such as instant messages. Even though DNA may not have control over such data, DNA may be held accountable for how that data are used and disseminated.

Mobile certificates are electronic identifiers attached to the SIM card of mobile phone subscriptions that a person can use to prove their identity or make an electronic signature. As a provider of strong electronic authentication, DNA could incur liability for damages under the Act on Strong Electronic Identification and Electronic Signatures (7.8.2009/617), the Tort Liabilities Act (412/1974) and the Personal Data Act (22.4.1999/523). Liability could be based on contractual terms and conditions related to liability for damages.

With respect to the protection of customer data, DNA may not be able to adapt its current security processes to comply with the GDPR by its effective date on May 25, 2018. In addition, the GDPR may limit DNA's possibility to use subscriber data for example to develop its service offerings or for other purposes. Violation of data protection laws by DNA or one of its partners or suppliers, or any leakage of customer data may result in fines, reputational harm and subscriber churn and could have a material adverse effect on DNA's business, financial condition and results of operations.

DNA faces risks relating to its collaborative operations and joint ventures.

DNA has entered, and may from time to time enter, into joint ventures or collaborative operations. DNA has been negotiating with potential partners on possible cooperation in in the development of a joint mobile payment service with potential partners. If there is any disagreement with a collaborative operation or joint venture partner regarding the business or operations of the relevant joint venture or collaborative operation, there can be no assurance that DNA will be able to resolve it in a manner that will be in its best interests. In addition, certain major decisions, such as divesting interests in a joint venture or entering into certain material transactions, may require the consent of all other partners. Any such limitations could adversely affect DNA's ability to obtain the economic and other benefits it seeks from participating in these joint ventures or collaborative operations. Furthermore, any joint venture or collaborative operation partners may be unable or unwilling to fulfill their obligations, have financial difficulties, require DNA to make additional investments, or have disputes with DNA regarding their rights, responsibilities and obligations. If DNA decides to divest its investment in a joint venture, the joint venture partner may exercise its possible pre-emption rights and DNA may not be able to realize the true value of its investment. Similarly, if DNA loses a joint venture or collaborative operation partner, it may face a loss of access to production capacities and an important market and may have to invest considerable resources to make up for any such loss. Any joint ventures or collaborative operations in which DNA participates, may violate antitrust or competition laws, and may have a material adverse effect on DNA's business, financial condition and results of operations.

DNA faces risks relating to its joint operation Suomen Yhteisverkko Oy.

In August 2014 DNA and Telia Company, established a joint operation named Suomen Yhteisverkko Oy, of which the Company owns 49 percent and Telia Company, 51 percent. In spring 2015, Suomen Yhteisverkko Oy started constructing a joint mobile network in Northern and Eastern Finland, and the construction phase has been completed in November 2016. The Finnish Competition and Consumer Authority conducted an inspection in respect of Suomen Yhteisverkko Oy in 2014. However, after a commitment decision of the Finnish Competition and Consumer Authority, the parties gave the authorities several commitments, for example, with respect to the management, personnel and operations of the joint operation. The parties also committed to providing network service to MVNOs and service operators and giving third parties access to the masts on non-discriminatory terms and committed not to cooperate in future spectrum auctions. Breach of these commitments is sanctionable by liquidated damages. In addition, material changes to the services or technical implementation of the joint operation are subject to competition law and may need an approval of the Finnish Competition and Consumer Authority.

FICORA has investigated the mobile network coverage in Northern Finland with respect to the 4G network built by Suomen Yhteisverkko Oy, and found that the joint operation was in compliance with applicable laws. However, there can be no assurance that FICORA will not require Suomen Yhteisverkko Oy's owners to take further actions or make additional investments in order to improve the coverage.

Suomen Yhteisverkko Oy is managed jointly by the Company and Telia Company. In the future, the interests of the Company and Telia Company may not always be aligned, which may impede decision making in the joint operation and harm its operations. The joint operation is governed by a shareholders' agreement, according to which, Suomen Yhteisverkko Oy must be operated in cooperation with, and with the assistance of, both the Company and Telia Company. In addition, any matters before the general meeting of shareholders of the joint operation require unanimous decision by the Company and Telia Company. In the event of a deadlock, the party initiating the deadlock procedure has a possibility to offer to terminate the joint ownership at a certain price, either by purchasing all shares held by the other party or by selling all its shares to the other party. Any such event could adversely affect the Company's ability to obtain the economic and other benefits it seeks from participating in the joint operation.

In addition, the shareholders' agreement contains a change of control clause triggered if a person or entity of certain nationalities or domiciles outside the European Economic Area (other than Switzerland, Australia, Canada or the USA) exceeds 20 percent direct or indirect ownership in either DNA or Telia Company. Triggering of the change of control could result in termination of the joint operation, which, in turn, could prevent the Company from achieving any anticipated cost savings or revenue enhancement. Further, termination of the joint operation could result in Telia Company acquiring the network assets held by Suomen Yhteisverkko Oy, thus requiring DNA to rapidly build a mobile network for Northern and Eastern Finland. This could have a material adverse effect on DNA's business, financial conditions, and results of operations.

The Company's interest in the joint operation is not freely transferable to third parties and the Company does not have a right to initiate a process to exit the joint operation before the minimum time stipulated in the shareholders' agreement has expired. DNA's share of the operation and maintenance costs of the joint operation's base capacity was 42 percent in 2015 and 40 percent in 2014. DNA's share of the base capacity costs of the joint operation will not exceed 50 percent. In addition, the Company may become involved in disputes with Telia Company, which could lead to a deadlock or situations that could harm the joint operation, which could reduce the Company's revenues or increase its costs. Any of these factors could have a material adverse effect on the Company's joint operation with Telia Company, which, in turn, could have a material adverse effect on DNA's business, financial condition, and results of operations.

DNA's actual results of operations may differ materially from the financial targets included in this Offering Circular and investors should not place undue reliance on the financial targets or view them as guarantees of future performance.

The financial targets adopted by the Board of Directors and set forth in this Offering Circular are DNA's targets for the financial year 2016 and beyond, including revenue growth, EBITDA margin, operative capital expenditure in relation to net sales and net debt to EBITDA ratio. The financial targets constitute forward-looking statements and there is a risk that DNA's actual results of operations or financial condition could differ materially from those expressed or implied by these forward-looking statements as a result of one or several factors. These financial targets are based upon a number of assumptions, which are inherently subject to significant business, operational, economic and other risks, many of which are outside of DNA's control. Accordingly, the assumption may change or may not materialize at all. In addition, unanticipated events or materialized risks, may adversely affect DNA's actual results of operations and financial condition in future periods whether or not DNA's assumptions relating to the financial year 2016 or future periods otherwise prove to be correct. As a result, DNA's actual results of operations or financial condition may vary materially from these targets and investors should not place undue reliance on them or view them as guarantees of future performance.

DNA's results of operations and profitability could be materially and adversely affected by volatile, negative or uncertain general economic conditions in Finland or affecting Finland.

DNA operates predominantly in the Finnish market and is therefore influenced by the strength of the Finnish economy and the euro. DNA derives its revenues and profitability from customers in Finland. Its success is therefore to a certain extent dependent on general economic developments in Finland. Negative developments in, or the extended general weakness of, the Finnish economy may have a negative impact on the spending patterns of DNA's customers and the willingness of customers to make purchases, which could adversely affect DNA's revenue and profitability. The general economic and financial market conditions in Europe and other parts of the world have repeatedly undergone significant turmoil due to, among other factors, ongoing economic volatility and uncertainty in Europe as a result, for example, of the UK voting in favor of leaving the EU in its June 2016 referendum. Also political events, such as the election of Donald Trump as president of the United States of America, may directly or indirectly have global impacts. GDP development in Finland has been negative in recent years and general economic conditions in Finland remain uncertain.

Negative effects of an unfavorable economic environment on spending may be particularly significant in the Corporate segment, as corporate customers may react to negative economic developments with cost cutting measures affecting their procurement policies and use of services. Also, demand among Consumer segment customers may be affected by an unfavorable economic environment, in particular with respect to pay TV services and mobile devices. In addition, economic conditions may continue to weigh on the growth prospects in the Finnish telecommunications market in terms of the penetration of new value-added services and traffic, number of subscriptions and ARPU. Increased unemployment rates in Finland, the weakening or stagnation of the Finnish economy or an otherwise unfavorable economic environment may have a material adverse effect on DNA's business, financial condition and results of operations.

DNA is exposed to credit and counterparty risks.

DNA is exposed to credit risks principally as a supplier of telecommunication services in Finland. DNA cannot assure that it will continue to have a diversified customer base, or that widespread defaults by a broad base of customers due to macroeconomic factors will not have an adverse effect on its business. DNA recognizes an impairment loss on trade receivable when there is objective evidence that the outstanding amount cannot be collected in full. Defaults under financings, and guarantees and trade credits to DNA's customers resulting in impairment charges and credit losses, may increase in the future. If DNA is exposed to counterparty and/or customer defaults, DNA may not be able to collect on those receivables. This may have an adverse effect on DNA's business, financial condition and results of operations.

The loss of important intellectual property rights, including DNA's key trademarks and domain names, could adversely affect its competitiveness.

Some of DNA's intellectual property rights, including its key trademarks and domain names which are well known in the Finnish telecommunications market, are important to DNA's business.

DNA relies upon a combination of trademark and copyright laws, database protections and contractual arrangements, where appropriate, to establish and protect its intellectual property rights. There are certain brand elements that DNA has not registered, for all relevant product and service categories, such as certain shades of pink, but to which DNA believes it has established exclusive rights through use (see "*Business—Intellectual Property*" and "*Business—Legal Proceedings*"). Additionally, DNA is required from time to time to bring claims against third parties in order to protect its property rights, and DNA may not succeed in protecting such rights. In addition to the risk that a third party will infringe on DNA's intellectual property rights, DNA faces the risk that a third party may claim that DNA is infringing on such third party's intellectual property rights. Also, third parties may raise individual claims against DNA's registered intellectual property rights. DNA faces the risk that the investments in the use of the color pink may prove to be useless. As a result, DNA may not be able to use intellectual property that is material to the operation of DNA's business. Currently, DNA has a legal dispute with Deutsche Telekom AG, which has claimed that DNA is infringing upon Deutsche Telekom AG's EU trademark over the color magenta. DNA cannot guarantee that Deutsche Telekom AG will not succeed in its claim. Furthermore, the process in Finland may take years, and DNA has not been able to estimate the potential financial impact or costs related to the claim.

In its review of the implementation by the member states of Directive 2004/48/EC of the European Parliament and the Council of April 29, 2004 on the enforcement of intellectual property rights (**IPRED**), the European Commission has noted a potential need to increase the responsibility of intermediaries in relation to the prevention of the infringement of intellectual property rights. This could potentially lead to new legislation or other legal initiatives causing intermediaries, such as DNA, to be subject to extended exposure for successful claims for injunctions, damages and/or criminal responsibility for such infringement. If such legislation or other legal initiatives were to take effect, then this could have a material adverse effect on DNA's business, financial condition and results of operations.

Increasing dependence of the telecommunications equipment industry on proprietary technology may increase the possibility that DNA will be exposed to litigation or other proceedings where DNA needs to defend against alleged infringements, claims or other disputes in relation to the intellectual property rights of others. If DNA is prevented from using certain products and services, or if DNA is forced to pay significant damages or higher prices for important products or services due to a third party's successful intellectual property claim, there may be a material adverse effect on DNA's business, financial condition and results of operations. For a description of DNA's existing material litigations and other proceedings, see "*Business—Legal Proceedings*".

DNA's business may be adversely affected by actual or perceived health risks and environmental requirements relating to mobile telecommunications radio transmission equipment and terminal devices.

Various reports, such as those by the World Health Organization and the Institute of Electrical and Electronics Engineers, have alleged that there may be health risks associated with the effects of electromagnetic fields from tower or mast sites, mobile handsets and other mobile and wireless telecommunications devices. DNA cannot assure that further medical research and studies will not establish a link between electromagnetic fields or radio frequency emissions and these health detriments. The actual or perceived risk of mobile and wireless telecommunications devices, potential lawsuits or claims relating to such risks, press reports about risks or consumer litigation relating to such risks could adversely affect the size or growth rate of DNA's subscription base and result in decreased mobile usage or increased litigation costs. If actual or perceived health risks were to result in decreased mobile usage, consumer litigation, liability for damages or stricter regulation, it could have a material adverse effect on DNA's business, financial condition, results of operations and future prospects.

DNA is also subject to a variety of laws and regulations relating to land use and the protection of the environment, including those governing the storage, management and disposal of hazardous materials and the cleanup of contaminated sites. DNA could incur substantial costs, including cleanup costs, fines, sanctions and third-party claims for property damage or personal injury, as a result of violations of such laws and regulations.

DNA's insurance coverage may not be sufficient.

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. In October 2016, DNA has entered into an insurance contract for losses resulting from cyber risks, such as system failures and security failures. Damage risks are prevented and minimized by means such as security guidelines and personnel training. Adequacy of insurance cover is continuously reviewed and maintained according to DNA's changing needs. While DNA believes that it maintains adequate insurance coverage taking into account the scope of its business, DNA's insurance may not be sufficient to cover all risks or accidents or its coverage may not otherwise be sufficient for all situations. In addition, insurance companies may refuse to approve DNA's insurance in full or in part, or it is possible that they ultimately cannot meet their obligations in the manner required by the insurance policy. Risks relating to the comprehensiveness of DNA's insurance coverage may have a material adverse effect on DNA's business, financial condition and results of operations.

DNA may not be able to attract and retain key personnel.

DNA's success and growth strategy depends in large part on its ability to attract and retain key management, sales, marketing, finance, IT and operating personnel, including persons responsible for responding to technological developments and establishing new or enhanced services, as well as key persons responsible for the maintenance of production and IT. Persons considered by DNA to be key personnel generally possess competence and experience that is difficult to replace. There can be no assurance that DNA will continue to attract or retain the qualified personnel needed for its business, in particular with a view to retaining or attracting personnel required for the implementation of its strategic plans. In addition, DNA constantly develops its operating models, and thus DNA's employees are required to have the ability to adjust to development while DNA is required to invest in the development of employees' competence as well as have an excellent recruitment process and a positive employer brand, among other things. Competition for qualified key experts in DNA's industry is intense and there is limited availability of persons with the requisite knowledge of the telecommunications industry and relevant experience in Finland. DNA cannot guarantee that it will continue to be recognized as an attractive place to work or that it will continue to be able to retain employees based on the quality of the work environment or the loyalty of its employees. DNA's failure to recruit and retain key personnel or qualified employees could have a material adverse effect on DNA's business, financial condition and results of operations.

Labor disputes and statutory payments related to terminations of employments may negatively affect DNA's business operations.

If DNA experiences a material labor disruption, strike, material dispute with labor unions established by its employees or the employees' of its key suppliers or partners, or significantly increased labor costs, or if labor regulation or significant collective bargaining agreements are amended or their interpretation changes in a manner unfavorable to DNA, it may not be able to meet customer demands in a cost effective or timely manner. This may restrict DNA's ability to provide its standard level of customer care or other services or products and could, among other things, reduce its profitability. DNA has been subject to strikes in the past and there can be no assurance that strikes will not occur in the future. In addition, DNA has been a party to labor disputes with some of its employees on an individual basis, and DNA encountered a labor-related work stoppage of six weeks in 2010. The current collective bargaining agreement for the ICT sector employees is in force until January 31, 2017, and a new collective bargaining agreement is expected to enter into force for the period February 1, 2017 to January 31, 2018. The current collective bargaining agreements for the ICT sector salaried and senior salaried employees are in force until October 31, 2017. Intensely negotiated matters in the industry include, among other things, the rules on the use of temporary work force. A substantial majority of DNA's employees are unionized, and if DNA's employees were to engage in a strike or other work stoppage, DNA could experience a significant disruption of operations and/or higher ongoing labor costs and DNA may not be able to recoup labor costs through increased prices. In addition, Trade Union Pro has filed actions in the Labour Court against Service Sector Employees PALTA Ry in October 2016 and November 2016 concerning the salary class of certain of DNA's ICT sector salaried employees based on the competence classification of their position. If these actions or possible similar actions are successful, it could have an impact on a significant number of DNA's ICT sector salaried employees or terms of employment, including salary costs. Additionally, should DNA need to take any labor restructuring measures, such measures could trigger or exacerbate any strikes or other work stoppages. In addition, the results of DNA's and employer unions' negotiations with labor unions may for instance restrict DNA's ability to implement operating efficiency plans, thereby increasing costs and limiting DNA's competitiveness. Further, DNA has terminated several employments between the years 2013 and 2015 based on financial and production-related grounds. As some of the discharged employees were over 56 years old at the date of the termination of employment, DNA could face statutory payments to the Unemployment Insurance Fund in case the discharged personnel remain unemployed and become entitled to certain unemployment benefits as further specified in the Act on the Financing of Unemployment Benefits (555/1998, as amended). Any one of the above risks, if materialized, may have a material adverse effect on DNA's business, financial condition and results of operations.

Misuse or negligence relating to DNA's products, services, infrastructure or systems may adversely affect DNA's business operations.

Any fraudulent or negligent behavior by DNA's employees, subcontractors or customers may go undetected for an extended period of time and result in significant costs to DNA. Any such incident could have a material adverse effect on DNA's business, financial condition and results of operations and may hurt DNA's reputation. Likewise, DNA's brand credibility may suffer if its products and services are used in improper ways by its subscribers.

In addition, mobile phones are increasingly being used as payment devices for "mobile payments" whereby, instead of paying with cash, debit or credit cards, a customer can use a mobile phone to pay for a wide range of services or goods, with the amount being charged to the customer as part of the phone bill. The use of mobile phones for mobile payments is associated with certain security risks and the risk of fraudulent use. Although these risks are largely beyond DNA's control, DNA could face joint liability for any losses and damages resulting from breaches of security, fraudulent behavior or other misuse of DNA's mobile payment solutions. In addition, pursuant to the ISC, consumers who have the right to refrain from paying or to receive a refund, compensation or other payment from a service provider due to such service provider's breach of contract may also assert the same right in relation to a telecommunications operator that has charged the consumer for the service.

DNA cannot be certain that it will be able to continue addressing these issues or other issues that may arise appropriately in the future. If DNA fails to do so, it may experience higher churn and difficulty acquiring new subscribers, which may have a material adverse effect on its business, financial condition and results of operations.

Difficulties in accessing additional financing or complying with the financial covenants included in DNA's credit facilities as well as increases in costs of financing could have an adverse effect on DNA's financial position.

DNA's ability to finance its operations depends on a number of factors, such as the amount of cash flows from its operations and its access to additional debt or equity financing if needed. There can be no assurance that DNA will have access to additional financing or that it will be able to refinance its facilities at a commercially reasonable cost, or at all.

DNA's credit facilities include financial covenants, which require DNA to maintain specified financial ratios and satisfy a financial condition test, which will become more restrictive over the life of such indebtedness and which may limit DNA's ability to borrow and restrict the size of future acquisitions. See "*Business of the Company—Certain Contracts Relating to the Operation of DNA's Business*" for further information. DNA may also enter into future debt agreements which may include provisions restricting DNA's ability to raise financing or to make certain changes to its business operations. If DNA is unable to comply with these covenants in the future, it could be required to renegotiate its credit facilities, request waivers or replace borrowings under such credit facilities with other financing in order to prevent a default. There can be no assurance that DNA would be able to take any such action on terms that are acceptable to it, or at all. If DNA is not able to comply with the financial covenants included in its credit facilities, it could have a material adverse effect on DNA's business, financial condition, results of operations and future prospects as well as make it difficult for DNA to get additional financing, if needed.

DNA believes that it will be able to meet its financial obligations for the next 12 months. However, there can be no assurance that DNA may generate sufficient cash flows in the future to meet its capital expenditure needs, sustain its operations and meet its other capital requirements. DNA may also be required to raise additional debt or equity financing in amounts that could be substantial. The type, timing and terms of any future financing will depend on DNA's cash needs and the prevailing conditions in the financial markets. DNA may not be able to accomplish any of these measures on a timely basis or on commercially reasonable terms, if at all.

DNA is exposed to changes in interest rates.

DNA's debt portfolio, which consists of floating rate loans from financial institutions as well as fixed rate bonds, is exposed to interest rate risk. The variable interest rates account for 41 percent of DNA's interest-bearing liabilities, in total EUR 173 million as at September 30, 2016. The bonds have fixed interest rates, but all loans from financial institutions carry floating interest rates. The maturity date for the bond issued in 2013 is November 28, 2018 and for the bond issued in 2014 the maturity date is March 12, 2021. DNA monitors the trend in interest rates but has not as of the date of this Offering Circular hedged its position against the effects of changes in interest rates. There can be no assurances that DNA will be able to fully manage its exposure to movements in interest rates or to continue to do so at a reasonable cost. As a result, an increase in market interest rates could increase DNA's interest expenses, which would have an adverse effect on DNA's business, financial condition and results of operations.

A possible impairment of goodwill, other intangible or tangible assets could have adverse effects on the Company's financial condition and results of operations.

As at September 30, 2016, DNA had EUR 327.2 million of goodwill, EUR 154.5 million of other intangible assets such as contractual customer base acquired in business combinations, brands and IT software, and EUR 423.1 million of property, plant and equipment such as mobile and fixed broadband network in its consolidated balance sheet. Goodwill, intangible assets with indefinite useful life and intangible assets not yet in use are not amortized but are tested for impairment annually, or more frequently, if events or changes in circumstances indicate that such carrying value may not be recoverable. The carrying values of property, plant and equipment and intangible assets subject to periodic depreciation and amortization are reviewed for impairment whenever there are indications that their carrying values could exceed their value in use or disposal value, if disposal is considered as a possible option.

If the carrying value exceeds the recoverable amount, determined based on the higher of the discounted future cash flows of the related businesses and the fair value less costs to sell, goodwill, and other intangible or tangible assets, is considered impaired and is reduced to the recoverable amount via a non-cash charge to earnings. Preparation of these calculations requires the use of estimates and assumptions. The most significant assumptions in goodwill impairment testing comprise of forecasted growth in net sales, development of EBITDA, determination of the discount rate (WACC), and long-term growth rate used after the five-year forecast period. If management's judgments, assumptions or estimates change, the estimate of the recoverable amount of goodwill or other intangible or tangible assets could fall significantly and result in an impairment. In 2014, DNA recognized impairment expenses of EUR 12.5 million related to the write-off of the discontinued PlusTV brand and EUR 8.9 million for other intangible assets related to scrapping the old information systems in connection with information systems upgrade. If the value of goodwill or other intangible or tangible assets is impaired, it could have an adverse effect on DNA's financial condition and results of operations.

DNA's tax burden could increase as a result of changes in tax laws or their application or as a result of adverse outcomes of tax audits.

DNA's tax burden depends on certain provisions of tax laws and regulations, including the application and interpretation thereof. Changes in tax laws and regulations or their interpretation and application may increase DNA's tax burden to a significant degree, which could have a material adverse effect on DNA's business, financial condition, results of operations and cash flows. In addition, DNA has been and may at times be subject to tax audits conducted by national tax authorities. Such tax audit or any other tax audit or auditing measures carried out by tax or other relevant authorities could result in an imposition of additional taxes (such as income, transfer and value-added taxes). Any increase in DNA's tax liability could have a material adverse effect on DNA's business, financial condition, results of operations and cash flows.

Risks Related to the Offering, the Shares and the Listing

The Shares have not previously been subject to public trading, and, thus, the share price may be volatile and an active and liquid trading market may not develop.

The Shares have not previously been subject to public trading, and there can be no assurance that an active market will emerge, or can be maintained, for the Shares after the Offering. The liquidity of the Shares is therefore uncertain.

The market price of the Shares may fluctuate significantly due to a number of factors, such as realized or anticipated changes in DNA's results of operations, DNA's ability to reach its business objectives, developments in the Finnish economy, the introduction of new services to the market or announcements concerning innovations introduced by competitors, changes in the regulatory environment, general market conditions and other factors. In addition, international financial markets have occasionally experienced significant fluctuations in share prices and trading volumes regardless of the business development or future outlook of individual companies. These factors are mainly beyond DNA's control.

Moreover, the prices of shares offered publicly for the first time have been subject to considerable price fluctuations for periods of time, which may not have corresponded to the business or financial success of the particular company issuing such shares. Any of these factors may contribute to decline in the market price of the Shares and there is no guarantee that the market price of the Shares will not decline below the Final Offer Price.

There is no certainty about the possible distribution of dividends and repayment of capital in the future.

DNA cannot guarantee that it will, in the future, distribute dividends on the shares it has issued or make capital repayments, i.e. distribute funds from the reserve for invested unrestricted equity. The payment of dividends or repayment of capital and their amounts depend on the provisions of the Finnish Companies Act, the discretion of the Company's Board of Directors and, ultimately, on a resolution of a general meeting of the Company.

Under the provisions of the Finnish Companies Act, the amount distributed by the Company as dividends may not exceed the amount of distributable funds shown on its latest unconsolidated parent company audited financial statements adopted by the general meeting of shareholders. The possible distribution of dividends over a financial period depends on the Company's and its subsidiaries' results of operations, financial condition, cash flow, need for working capital, investments, future outlook, terms of its financing agreements and other factors. Under the Finnish Companies Act, the distribution of dividends is not permitted if it would jeopardize the Company's solvency. The Board of Directors of the Company has adopted a dividend policy for the Company pursuant to which the Company targets a dividend payout ratio of approximately 70 to 90 percent of DNA's free cash flow to its equity for the year subject to the preconditions set forth in the Finnish Companies Act. The Board of Directors of the Company have made conditional resolutions to propose, provided that the Company's financial standing permits such distribution, to the annual general meeting of the Company to be held in 2017 that a dividend distribution of EUR 0.55 per share is paid out for the financial period January 1, 2016 - December 31, 2016, which corresponds to a total dividend of approximately EUR 73 million assuming that the Share Issue is fully subscribed for, the Final Offer Price would be at the mid-point of the Preliminary Price Range and that DNA's Personnel would subscribe for a total of 50,000 New Shares at the discount applicable to such New Shares (as defined in "*Terms and Conditions of the Offering*"). The resolution is conditional upon the legal requirements for distribution of funds being fulfilled, including sufficiency of distributable funds and the proposed distribution being in line with the Company's interests. Notwithstanding this policy, the Company will evaluate the preconditions for the distribution of dividends annually, so that the distribution does not jeopardize the growth objective set out in the Company's strategy or other financial objectives of the Company. The amount of any dividends paid by the Company in any given financial year is, thus, uncertain. Further, the dividends paid by the Company for certain financial period are not an indication of the dividends to be paid for financial periods in the future, if any. See also "*Dividends and Dividend Policy*."

Share ownership is concentrated, and the largest shareholders will continue to have significant decision-making power.

If the Offering is carried out as planned, the largest shareholders of the Company, Finda Oy and PHP Holding Oy, will hold directly approximately 33.58 percent and 25.88 percent, respectively, of all Shares and votes of the Company immediately following the Offering assuming that the Over-Allotment Option (as defined in "*Terms and Conditions of the Offering*" is not used. Finda Oy and PHP Holding Oy have significant cross-ownership as PHP Liiketoiminta Oyj, a subsidiary of PHP Holding Oy, is the largest shareholder in Finda Oy and Rival XV Invest Oy, an associated company of Finda Oy, is the largest shareholder in PHP Holding Oy. Finda Oy, PHP Holding Oy and PHP Liiketoiminta Oyj are parties to an agreement which prevents them from increasing direct or indirect ownership in one another. In addition, PHP Liiketoiminta Oyj is party to a shareholders' agreement relating to Finda Oy. Both agreements will remain in force following completion of the Listing. See also "*Major Shareholders and Related Party Transactions—General*."

After the Offering, Finda Oy and PHP Holding Oy will continue to have significant decision-making power in the Company concerning, among other things, the composition of the Board of Directors of the Company and the distribution of dividends. Finda Oy and PHP Holding Oy may also have the ability to block decisions required to be made at the general meeting of the shareholders of the Company, including, among other things, the approval of the financial statements and decisions regarding changes to the articles of association and certain corporate transactions, such as mergers or demergers. There can be no assurance that the actions, objectives and interests of Finda Oy and PHP Holding Oy will correspond with those of other shareholders, which may have an adverse effect on the value and liquidity of the Shares.

Future issues or sales of a significant number of Shares may have a negative effect on the market value of the Company's Shares and potential future Share issues may dilute the ownership of existing shareholders.

Issues or sales of a substantial number of the Company's Shares, or the perception that such issues or sales may occur in the future, can have a material adverse effect on the market value of the Company's Shares as well as on the Company's ability to acquire financing from the capital markets in the future. In addition, any potential future directed share issue or, a rights issue where any existing shareholders decide not to exercise their subscription rights, could dilute shareholders' relative share of Shares and votes. The Company, the Institutional Sellers, and the members of the Board of Directors, executive officers and certain other key employees of the Company are expected to agree with the Managers that, during a period ending 180 days after the date of the Listing, i.e. until May 29, 2017 as regards the Company, and 360 days after the date of the Listing, i.e. until November 25, 2017 as regards the Institutional Sellers and the members of the Board of Directors, executive officers and certain other key employees of the Company, neither any of these persons nor any party acting on their behalf, save for certain exceptions, will, without the prior written consent of the Joint Global Coordinators, issue, offer, pledge, sell, contract to sell, sell any option rights or contract to purchase, purchase any option or contract to sell, grant any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares or any securities exchangeable for or convertible into or exercisable for, or substantially similar to, Shares, or enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Shares, whether any such transactions are to be settled by delivery of the Shares or other securities, in cash or otherwise. The Sellers other than the Institutional Sellers and Mutual Pension Insurance Company Ilmarinen have committed to a corresponding restriction concerning the transfer of shares which with respect to the Sellers other than Institutional Sellers ends 360 days following the Listing, i.e. on November 25, 2017, and with respect to Mutual Pension Insurance Company Ilmarinen, 90 days from the Listing i.e. on February 28, 2017. See "*Plan of Distribution—Lock-Up.*" After the lock-up period, the Company may issue and the Sellers may sell Shares.

Subscriptions made in the Offering cannot be cancelled or amended.

Subscriptions made in the Offering are binding and cannot be cancelled or amended after the subscription has been made. Cancellation is only possible under certain circumstances described in "*General Terms and Conditions of the Offering—Cancellation of the Commitments*." The Final Offer Price will be determined only after the end of the subscription period. Therefore, investors must make their investment decision at a time when the Final Offer Price, or the final outcome of the Offering, is not yet known.

Certain foreign shareholders may not necessarily be able to exercise their pre-emptive right set forth in the Finnish Companies Act or other shareholders' rights.

Under Finnish legislation, shareholders have pre-emptive right in proportion to their holdings when the Company issues new shares or securities entitling the subscription of new shares. Certain shareholders of the Company who live or will live, or whose registered address is located in, certain countries other than Finland, including shareholders in the United States, may not necessarily be able to exercise their subscription rights in possible future share issues, unless the Shares have been registered according to the securities legislation of the country in question or in an otherwise similar manner, or unless a derogation from the registration or other equivalent regulations provided in the applicable legislation is available. No assurances can be given that local requirements will be met or that any registration statement would be filed in the United States so as to enable the exercise of such holders' pre-emptive rights or participation in any rights offer or buy-back offer. This may lead to the dilution of such shareholders' ownership in the Company. Further, if the number of shareholders who are not able to exercise their subscription rights is high and if the subscription rights of such shareholders are sold on the market, it could have an adverse effect on the price of the subscription rights. A foreign shareholder's right to have access to information concerning share issues and important transactions may also be restricted due to the legislation of the country in question. In addition, holders of nominee-registered Shares are not able to directly exercise their right to vote at a general meeting of shareholders unless the holder of a nominee-registered share has been temporarily entered into the Company's register of shareholders no later than on the date mentioned in the notice of the general meeting.

There are costs associated with the Listing and it will place new obligations on the Company relating to operating as a listed company.

An application will be made for the public Listing of the Shares on the Helsinki Stock Exchange, which will generate additional costs. As a consequence of the Listing, the Company will be required to meet regulatory requirements related to trading on the Helsinki Stock Exchange, in particular with respect to financial reporting, disclosure obligations and corporate governance, and allocate staff and resources to such purposes. Such increased costs could have a material adverse effect on DNA's business, financial condition, results of operations and cash flows.

The Company has strived to prepare for complying with the obligations placed on listed companies. Nevertheless, it is possible that the Company will be unable to fulfil all of the obligations that are required of a listed company, at which point investors could lose confidence in the Company, which could result in a decrease in the value of the Shares.

Investors with a reference currency other than the euro will become subject to certain foreign exchange risks when investing in the Shares.

The Shares will be priced and traded in euro in the Helsinki Stock Exchange and any future payments of dividends on the Shares will be denominated in euro. Exchange rate movements of the euro will therefore affect the value of any dividends paid and other distributions of unrestricted equity, such as capital repayments for investors whose principal or reference currency is not the euro. Furthermore, the market price of the Shares as expressed in foreign currency will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the Shares, and of any dividends paid on the Shares, for an investor whose principal currency is not the euro. In addition, such investors could incur additional transaction costs in converting euro into another currency.

CERTAIN MATTERS

Statement Regarding Information in this Offering Circular

The Company is responsible for the information included in this Offering Circular. To the best knowledge of the Company, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Circular is in accordance with the facts and contains no omission likely to affect its import.

November 14, 2016

DNA Oyj

Special Cautionary Notice Regarding Forward-Looking Statements

This Offering Circular includes forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this Offering Circular, including, without limitation, those regarding our future financial position and results of operations, DNA's strategy, plans, objectives, goals and targets, future developments in the markets in which DNA participates or is seeking to participate or anticipated regulatory changes in the markets in which DNA operates or intends to operate. In some cases, forward-looking statements can be identified by terminology such as "aim," "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "plan," "potential," "predict," "projected," "should" or "will" or the negative of such terms or other comparable terminology.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and are based on numerous assumptions and that DNA's actual results of operations, including DNA's financial condition and liquidity and the development of the industries in which DNA operates, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this Offering Circular. In addition, even if DNA's historical results of operations, including DNA's financial condition and liquidity and the development of the industry in which DNA operates, are consistent with the forward-looking statements contained in this Offering Circular, those results or developments may not be indicative of results or developments in subsequent periods.

Forward-looking statements are set forth in a number of places in this Offering Circular, including in the sections "*Summary*," "*Risk Factors*," "*Dividends and Dividend Policy*," "*Background and Reasons for the Offering and Use of Proceeds*," "*Capitalization and Indebtedness*," "*Industry and Market Overview*," "*Business*," "*Operating and Financial Review*," and wherever this Offering Circular includes information on the future results, plans and expectations with regard to DNA, the future growth and profitability of DNA and the future general economic conditions to which DNA is exposed.

Availability of the Finnish Prospectus

The Finnish Prospectus will be published on DNA's website at www.dna.fi/ipo, on Danske Bank's website at www.danskebank.fi/ipo and on Nordea's website www.nordea.fi/osakkeet on or about November 15, 2016. In addition, the Finnish Prospectus will be available in printed version at the registered office of the Company in Läkkisepäntie 21, FI-00620 Helsinki, at Danske Bank's branch offices in Finland, at Nordea's branch offices in Finland and at the Helsinki Stock Exchange located at Fabianinkatu 14, FI-00100 Helsinki, Finland, on or about November 17, 2016.

No Incorporation of Website Information

The contents of DNA's website or any other website, excluding possible supplements to the Offering Circular, do not form a part of this Offering Circular, and prospective investors should not rely on such information in making their decision to invest in the Offer Shares.

Presentation of Financial Information

Historical financial statements

Certain of the historical financial information included in this Offering Circular has been derived from the Company's audited consolidated financial statements as at and for the years ended December 31, 2015, December 31, 2014 and December 31, 2013 (**Audited Consolidated Financial Statements**) as well as from the unaudited interim financial information as at and for the nine months ended September 30, 2016, including unaudited comparative financial information for the nine months ended September 30, 2015 (**Unaudited Interim Financial Information**). The Audited Consolidated Financial Statements and the Unaudited Interim Financial Information are included in the F-pages to this Offering Circular. The Audited Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (**IFRS**) and the Unaudited Interim Financial Information has been prepared in accordance with "*IAS 34—Interim Financial Reporting*".

Certain of the historical financial information as at and for the years ended December 31, 2015, 2014 and 2013 presented herein differs from the historical financial information in DNA's audited statutory consolidated financial statements confirmed by the annual general meeting due to restatements made in 2015 and certain reclassifications made in 2016. DNA identified an error during 2015 in its invoicing system causing a restatement of DNA's Consumer segment's net sales for the years ended December 31, 2014 and 2013. Net sales of the Consumer segment decreased by EUR 1,989 thousand and EUR 1,339 thousand, respectively, as a result of correction of the error. The identified error did not have an impact on customer invoicing. In 2015 DNA also identified an understatement of EUR 1,769 thousand for the amount of the PlusTV brand write-off recognized initially in 2014, which was retrospectively corrected. As a result of the restatements the net result for the period decreased by EUR 3,006 thousand for the year 2014 and EUR 1,011 thousand for the year 2013. In addition, DNA has reclassified certain items in the consolidated statement of financial position as at December 31, 2013 and in the consolidated statements of cash flows for the years ended December 31, 2015, 2014 and 2013 to correspond to its current presentation format. The audited consolidated financial statements for the years ended December 31, 2015, 2014 and 2013 included in this Offering Circular have been retrospectively restated according to *"IAS 8—Accounting Policies, Changes in Accounting Estimates and Errors"* in respect of the items described above. The restated audited consolidated financial statements have been prepared for inclusion in this Offering Circular and they have not been considered or confirmed at the Company's annual general meeting. For more information on the restatements and reclassifications, see Note 34 to the Audited Consolidated Financial Statements included elsewhere in this Offering Circular.

The Audited Consolidated Financial Statements included in this Offering Circular have been audited by PricewaterhouseCoopers Oy, Authorised Public Accountants, with Authorised Public Accountant Mika Kaarisalo as the auditor with the principal responsibility. On March 31, 2016, the annual general meeting of shareholders of the Company re-elected PricewaterhouseCoopers Oy, Authorised Public Accountants, with Authorised Public Accountant Mika Kaarisalo as the auditor with the principal responsibility, to be the auditor of the Company.

Alternative Performance Measures

DNA presents in this Offering Circular certain performance measures of historical financial performance, financial position and cash flows, which in accordance with the *"Alternative Performance Measures"* guidance issued by the European Securities and Markets Authority (**ESMA**) are not accounting measures defined or specified in IFRSs and are therefore considered as alternative performance measures. These alternative performance measures are:

- Operating result, EBIT is defined as net result for the period before income tax expense, share of associates' results, finance expenses and finance income.
- Operating result, EBIT margin, which is defined as operating result as a percentage of net sales.
- EBITDA is defined as operating result, EBIT before depreciation, amortization and impairments.
- EBITDA margin, which is defined as EBITDA as a percentage of net sales.
- Comparable EBITDA, which is defined as EBITDA excluding items affecting comparability.
- Comparable EBITDA margin, which is defined as comparable EBITDA as a percentage of net sales.
- Comparable EBIT, which is defined as operating result, EBIT excluding items affecting comparability.
- Comparable EBIT margin, which is defined as comparable EBIT as a percentage of net sales.
- Items affecting comparability, which are defined as material items outside ordinary course of business, such as net gains or losses from business disposals, direct transaction costs related to business acquisitions, write-offs 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 conducted in 2013 as well as direct transaction costs and cost impacts on the share based compensation plan of the contemplated Offering.

- Net debt, which is defined as total current and non-current borrowings less cash and cash equivalents.
- Ratio of net debt to EBITDA, which is calculated by dividing net debt by EBITDA.
- Net gearing, which is calculated by dividing net debt by the total equity.
- Equity ratio, which is calculated by dividing (i) total equity by (ii) total assets less prepayments received.
- Return on investment, which is calculated by (i) adding interest and other financial expenses to the net result before income tax, quarterly reports adjusted to correspond with 12 months and (ii) dividing this sum by the average of sum of total equity and non-current and current borrowings in the opening and closing balance sheet.
- Return on equity, which is calculated by dividing net result for the period, quarterly reports adjusted to correspond with 12 months by the average of total equity in the opening and closing balance sheet.
- Capital expenditure is defined as additions to property, plant and equipment and intangible assets excluding business acquisitions, gross acquisition cost of spectrum license and additions through finance leases and asset retirement obligations and including annual cash instalments for the spectrum license.
- Operative capital expenditure is defined as capital expenditure excluding the annual cash instalments for spectrum license.
- Operative capital expenditure as percentage of sales, which is defined as operative capital expenditure as percentage of sales.
- Cash flow after investing activities, which is defined as net cash generated from operating activities less net cash used in investing activities.
- Operating free cash flow (**OpFCF**) is defined as comparable EBITDA less operative capital expenditure.
- Free cash flow to equity (**FCFE**) is defined as OpFCF less adjusted change in net working capital (change in net working capital as included in the consolidated statements of cash flows including an adjustment between operative capital expenditure and cash-based capital expenditure in order to to present FCFE on a cash basis however, excluding the cash instalment for spectrum licenses and adjusted with the items affecting comparability), net interest paid (comprising of interest paid, interest received and other financial items included in the consolidated statements of cash flows), income taxes paid and change in provisions as included the consolidated statements of cash flows.

DNA presents alternative performance measures as additional information to Financial measures presented in the consolidated income statement, consolidated statement financial position and consolidated statement of cash flows prepared in accordance with IFRS. In DNA's view, alternative performance measures provide the management, investors, securities market analysts and other parties with significant additional information related to 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 the alternative per-formance measures presented in this Offering Circular may not be comparable with similarly named measures present-ed by other companies. The alternative performance measures presented in this Offering Circular are unaudited excluding operating result, EBITDA and capital expenditure presented for the years ended December 31, 2015, 2014 and 2013, which are audited.

Market and Industry Information

This Offering Circular contains statistics, data and other information relating to markets, market sized, market shares and market positions and other industry data pertaining to DNA's business and markets. Unless otherwise indicated, such information is based on an analysis of multiple sources, including FICORA, Statistics Finland, Eurostat, OECD, IDC, Gartner, Omnitele Ltd and information otherwise obtained. Omnitele Ltd is a subsidiary of Finda Oy, DNA's largest shareholder.

Industry surveys and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of the information contained in industry publications or from surveys or studies conducted by third party sources is not guaranteed. Market data and statistics are inherently predictive, subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market research. The Company has ascertained that such information has been accurately reproduced and as far as the Company is aware and is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading. While the Company is not aware of any misstatements regarding any market, industry or similar data presented herein, such data involve risks and uncertainties and are subject to change based on various factors, including those discussed under the "*Risk Factors*" section in this Offering Circular.

The subscriber data included in this Offering Circular, including penetration rates, ARPU, subscription numbers, DNA's market share and churn rates are derived from management estimates, are not part of DNA's financial statements or financial accounting records and have not been audited or otherwise reviewed by independent auditors, advisors or experts. The use or computation of the terms ARPU or churn may not be comparable to the use or computation of similarly titled measures reported by other companies in the telecommunications industry. ARPU should not be considered in isolation or as an alternative for measure of performance under IFRS.

Presentation of Certain Other Information

Financial information set forth in this Offering Circular has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total figure given for that column or row.

All references in this Offering Circular to **U.S. dollar** and **USD** refer to the currency of the United States of America, and those to **euro** and **EUR** refer to the currency of Economic and Monetary Union of the EU and those to **ruble** refer to the currency of the Russian Federation.

Enforcement of Liabilities and Service of Process

The Company is organized under the laws of Finland, with its domicile in Helsinki, Finland. All of the members of the Board of Directors and most of the members of the Executive Team of DNA are non-residents of the United States. All or a substantial portion of the assets of such non-resident persons and of the Company are located outside of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or the Company or to enforce against them in U.S. courts judgments obtained in such courts.

The Company has been advised that there is doubt as to the enforceability in Finland, in original actions instituted in U.S. courts, of civil liabilities predicated solely upon the federal securities laws of the United States. Therefore, final judgments for the payment of money rendered by a U.S. court in the United States based on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be automatically enforceable in Finland.

CERTAIN IMPORTANT DATES RELATING TO THE OFFERING

Subscription period of the Offering commences	November 15, 2016
The Offering may be discontinued at the earliest	November 22, 2016
Subscription period of the Public Offering ends on or about	November 25, 2016
Subscription period of the Personnel Offering ends on or about	November 25, 2016
Subscription period of the Institutional Offering ends on or about	November 29, 2016
Announcement of the final results of the Offering on or about	November 29, 2016
New Shares subscribed for in the Public Offering registered in the investors' book-entry accounts on or about	November 30, 2016
Trading in the Shares, excluding Personnel Shares, commences on the pre-list of the Helsinki Stock Exchange on or about	November 30, 2016
Trading in the Shares, excluding Personnel Shares, commences on the official list of the Helsinki Stock Exchange on or about	December 2, 2016
The Offer Shares offered in the Institutional Offering are ready to be delivered against payment through Euroclear Finland on or about	December 2, 2016
New Shares subscribed for in the Personnel Offering registered in the Trade Register on or about	December 16, 2016
New Shares subscribed for in the Personnel Offering registered in the subscribers' book-entry accounts on or about	December 16, 2016
Trading in the Personnel Shares commences on the official list of the Helsinki Stock Exchange	December 16, 2016

EXCHANGE RATES

The following tables sets forth the average, high, low, and period end reference rates as published by the European Central Bank for the U.S. dollar as at the dates and for the periods indicated:

	Reference rates of USD per EUR			
	Average	**High**	**Low**	**Period-end**
2013	1.3281	1.3814	1.2768	1.3791
2014	1.3285	1.3953	1.2141	1.2141
2015	1.1095	1.2043	1.0552	1.0887
2016 (until November 11)	1.1143	1.1569	1.0742	1.0904
May 2016	1.1311	1.1569	1.1139	1.1154
June 2016	1.1229	1.1389	1.0998	1.1102
July 2016	1.1069	1.1157	1.0982	1.1113
August 2016	1.1212	1.1339	1.1078	1.1132
September 2016	1.1212	1.1296	1.1146	1.1161
October 2016	1.1026	1.1236	1.0872	1.0946
November 2016 (until November 11)	1.1022	1.1095	1.0895	1.0904

The above rates are provided solely for the convenience of the reader and are not necessarily the rates used in the preparation of the Company's financial statements and financial statement information. No representation is made that the euros could have been converted into U.S. dollars at the rates shown or at any other rate at such dates or during such periods.

DIVIDENDS AND DIVIDEND POLICY

The Board of Directors of the Company has adopted a dividend policy pursuant to which the Company targets a dividend payout ratio of approximately 70 to 90 percent of DNA's free cash flow to equity for the year subject to the factors described below. Further, the Board of Directors of the Company have made a conditional resolution in October 2016 to propose to the annual general meeting of the Company to be held in 2017 that a dividend distribution of approximately EUR 70 million is paid out for the financial period January 1, 2016 - December 31, 2016. Pursuant to said resolution, the Board of Directors of the Company have made a conditional resolution in November 2016 to propose, provided that the Company's financial standing permits such distribution, to the annual general meeting of the Company to be held in 2017, that a dividend distribution of EUR 0.55 per share is paid out for the financial period January 1, 2016 - December 31, 2016. The aforesaid dividend per share would correspond to a total dividend of approximately EUR 73 million assuming that the Share Issue is fully subscribed for, the Final Offer Price would be at the mid-point of the Preliminary Price Range and that DNA's Personnel would subscribe for a total of 50,000 New Shares at the discount applicable to such New Shares (as defined in "*Terms and Conditions of the Offering—Special Terms and Conditions of the Personnel Offering*").

The payment of dividends, if any, by the Company and the amounts and timing thereof will depend on a number of factors, including DNA's capital structure, future revenue, profits, financial condition, general economic and business conditions and future prospects; the ability of the Company's subsidiaries to pay dividends or otherwise transfer funds to the Company; and such other factors as the Board of Directors may deem relevant. There can be no assurance that a dividend will be declared in a given year. If a dividend is declared, there can be no assurance that the dividend amount or the dividend payout ratio will be as described above. Moreover, any dividend paid in a given year will not be indicative of any dividends to be paid in any subsequent year. If any dividend is distributed, all of the Shares will be entitled to the same dividend.

The Company's dividend per Share was EUR 4.72, EUR 3.54 and EUR 3.54 for the years ended December 31, 2015, 2014 and 2013, respectively, which corresponds to EUR 0.31, EUR 0.24 and EUR 0.24 for the years ended December 31, 2015, 2014 and 2013, respectively, after the share split based on the decision of the extraordinary general meeting of the Company on October 25, 2016.

In accordance with the prevailing practice in Finland, dividends on shares in a Finnish limited liability company, if any, are generally declared once a year. Dividends may be paid and unrestricted equity may be otherwise distributed after the general meeting of shareholders has adopted the company's financial statements and resolved on the amount of dividend or other distribution of unrestricted equity based on the proposal by the board of directors of the company. Pursuant to the Finnish Companies Act, the payment of a dividend and other distribution of unrestricted equity may also be based on financial statements other than those for the preceding financial year, provided that such financial statements have been adopted by the general meeting of shareholders. If the company has an obligation to elect an auditor pursuant to law or its articles of association, such financial statements must be audited. The payment of a dividend or other distribution of unrestricted equity requires the approval of the majority of the votes cast at a general meeting of shareholders of the company. Pursuant to the Finnish Companies Act, the general meeting of shareholders may also authorize the board of directors to decide upon payment of dividends and other distribution of unrestricted equity. The amount of dividend or other distribution of unrestricted equity cannot exceed the amount resolved by the general meeting of shareholders. The amount of any dividend or other distribution of unrestricted equity is limited to the amount of distributable funds of the company stated in the financial statements upon which the decision to pay dividends or otherwise distribute unrestricted equity are based, subject to any material changes in the financial position of the company since the financial statements were prepared. Distribution of funds, whether by way of dividend or other distribution of unrestricted equity, is prohibited if it is known, or it should be known, at the time such decision is made that the company is insolvent or that such distribution would cause the company to become insolvent. As at December 31, 2015, the total distributable funds of the Company were EUR 153,168,105.20, and the Company distributed dividends of EUR 40 million in spring 2016. See "*Certain Matters—Presentation of Financial Information*" and "*Description of the Shares and Share Capital—Shareholder Rights—Dividends and Other Distributions of Funds*."

Dividends paid to holders of Shares who are non-residents of Finland will generally be subject to Finnish withholding tax. Currently, the withholding tax rate is 20 percent of the dividend paid to non-resident corporate entities and 30 percent for all other non-residents. The amount of withholding tax may be reduced pursuant to an applicable tax treaty to which Finland is a party. For a summary of certain tax consequences for shareholders, see "*Taxation*."

BACKGROUND AND REASONS FOR THE OFFERING AND USE OF PROCEEDS

Reasons for the Offering

The objective of the Offering is to position DNA for its next development phase. The Offering will enable the Company to obtain access to capital markets, expand its ownership base and increase the liquidity of the Shares. Additional visibility through the Listing is also expected to further increase DNA's recognition among the public and as an employer, and thus enhance DNA's competitiveness.

Use of Proceeds

The Sellers will receive gross proceeds of approximately EUR 377 million from the Share Sale (calculated by using the mid-point of the Preliminary Price Range and assuming that the Sellers sell the maximum number of Sale Shares and the over-allotment option is not exercised). The Sellers expect to pay approximately EUR 7.5 million in fees in connection with the Offering (calculated by using the mid-point of the Preliminary Price Range).

The Company aims to raise gross proceeds of approximately EUR 50 million through the Share Issue by offering New Shares for subscription in the Offering. The number of New Shares to be issued will be determined based on the Final Offer Price of the Offer Shares. The Company would issue 4,766,905 New Shares assuming that the Final Offer Price would be at the mid-point of the Preliminary Price Range and that a total of 50,000 New Shares would be subscribed for in the Personnel Offering at the discount applicable to such New Shares. The New Shares so issued would represent approximately 3.6 percent of the Shares and votes after the Share Issue.

The Company's fees and expenses related to the Offering are estimated to amount to approximately EUR 12 million, resulting in net proceeds for the Company from the Share Issue of approximately EUR 38 million. The Company expects to use the net proceeds from the Share Issue to strengthen its capital structure and maintain financial flexibility to carry on disciplined growth investments and possible selective value creative M&A. Additionally, the proceeds will give DNA sufficient financial flexibility for a possible bid in the forthcoming 700 MHz spectrum auction.

TERMS AND CONDITIONS OF THE OFFERING

The term "subscription" refers in the following to the investor's offer or commitment in the Offering to subscribe for Offer Shares, and an investor may be allocated either New Shares or Sale Shares. Similarly the terms "subscriber", "offer period", "subscription place", offer price", "purchase offer" and "commitment" (or other similar terms) refer to both the Share Issue and Share Sale.

General Terms and Conditions of the Offering

Offering

DNA Oyj, a public limited liability company incorporated in Finland (the **Company**), aims to raise gross proceeds of approximately EUR 50 million by offering new shares in the Company (the New Shares) for subscription (the Share Issue). The number of New Shares to be issued will be determined based on the final subscription price per Offer Share (as defined below) (the **Final Offer Price**). The Company would issue 4,766,905 New Shares assuming that the Final Offer Price would be at the mid-point of the Preliminary Price Range (as defined below) and total of 50,000 New Shares would be subscribed in the Personnel Offering (as described below) at the discount applicable to such New Shares. In addition, preliminarily up to 35,950,000 existing shares (the **Sale Shares**, and together with the New Shares, the **Offer Shares**) in the Company are being offered for sale by shareholders selling Sale Shares listed in Annex C of this Offering Circular (the **Sellers**) (the **Share Sale**, and together with the Share Issue, the **Offering**).

The Offering consists of (i) a public offering to private individuals and entities in Finland (the **Public Offering**), (ii) a personnel offering to the Personnel (as defined below) (the **Personnel Offering**) and (iii) private placements to institutional investors in Finland and internationally, including in the United States to qualified institutional buyers (**QIBs**) as defined in Rule 144A (**Rule 144A**) under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**), pursuant to exemptions from the registration requirements of the U.S. Securities Act (the **Institutional Offering**). All offers and sales outside the United States will be made in reliance on Regulation S under the U.S. Securities Act (**Regulation S**).

The Offer Shares represent approximately 30.8 percent of the Company's shares (the **Shares**) and votes after the Share Issue without the Over-Allotment Option (approximately 35.4 percent with the Over-Allotment Option), assuming that the Sellers sell maximum amount of Sale Shares and that the Company issues 4,766,905 New Shares (the number of New Shares is calculated assuming that the Final Offer Price would be at the mid-point of the Preliminary Price Range (as defined below) and a total of 50,000 New Shares would be subscribed in the Personnel Offering (as defined below) at the discount applicable to such New Shares). With the Share Issue, the Company aims to raise gross proceeds of approximately EUR 50 million and, to achieve this goal, it may increase or decrease the number of New Shares offered in the Share Issue within the limits of these terms and conditions of the Offering.

The terms and conditions of the Offering are comprised of the general terms and conditions of the Offering presented herein as well as the special terms and conditions of the Public Offering, the Personnel Offering and the Institutional Offering.

Share Issue

The Extraordinary General Meeting of Shareholders of the Company resolved on October 25, 2016 to authorize the board of directors of the Company (the **Board of Directors**) to decide on an issue of maximum of 7,500,000 new Shares of the Company. Based on said authorization, the Board of Directors resolved on November 14, 2016 preliminarily to issue New Shares in the Share Issue. With the Share Issue, the Company aims to raise gross proceeds of approximately EUR 50 million by offering New Shares for subscription. The number of New Shares to be issued will be determined based on the Final Offer Price of the Offer Shares. The Company would issue 4,766,905 New Shares assuming that the Final Offer Price would be at the mid-point of the Preliminary Price Range (as defined below) and total of 50,000 New Shares would be subscribed in the Personnel Offering at the discount applicable to such New Shares. The New Shares so issued would represent approximately 3.6 percent of the Shares and votes after the Share Issue. In the Personnel Offering, the Company is offering for subscription preliminarily a maximum of 50,000 New Shares and in possible oversubscription situations in the Personnel Offering a maximum of 250,000 additional New Shares (the **Personnel Shares**).

The New Shares are offered in deviation from the shareholders' pre-emptive subscription right in order to enable the listing of the Company's shares on Nasdaq Helsinki Ltd (the **Helsinki Stock Exchange**)

(**Listing**). The payment made to the Company for the approved New Share subscriptions will be booked in its entirety in the invested unrestricted equity fund. Thus, the Company's share capital will not increase in connection with the Share Issue. As a result of the Share Issue, the number of the Company's shares may increase to a maximum of 132,092,755 Shares (presuming that the Final Offer Price will not fall below the Preliminary Price Range and assuming that a total of 50,000 New Shares would be subscribed in the Personnel Offering at the discount applicable to the Personnel Offering).

Share Sale

The Sellers are offering for purchase preliminarily a maximum of 35,950,000 Sale Shares in the Share Sale. The Sale Shares represent approximately 27.2 percent of the Shares and votes after the Share Issue without the Over-Allotment Option (approximately 31.8 percent including the Over-Allotment Option) assuming that the Sellers sell maximum amount of Sale Shares and that the Company issues 4,766,905 New Shares (the number of New Shares is calculated assuming that the Final Offer Price would be at the mid-point of the Preliminary Price Range (as described below) and a total of 50,000 New Shares would be subscribed in the Personnel Offering at a discount applicable to such New Shares). If the Offering was not subscribed for in full and the Offering was nevertheless implemented, the number of Sale Shares would be decreased to correspond to the subscriptions.

Joint Global Coordinators, Joint Bookrunners and Managers

The Company as well as Finda Oy and PHP Holding Oy (jointly, **the Institutional Sellers**) have appointed Danske Bank A/S, Helsinki branch (**Danske Bank**) and Morgan Stanley & Co. International Plc (**Morgan Stanley** and together with Danske Bank, the **Joint Global Coordinators**) to act as the joint global coordinators and joint bookrunners for the Offering. In addition, the Company and the Institutional Sellers have appointed J.P. Morgan Securities plc (**J.P. Morgan**), Nordea Bank Finland plc (**Nordea**) and Skandinaviska Enskilda Banken AB (publ) Helsinki branch (**SEB**, and together with J.P. Morgan, Nordea and the Joint Global Coordinators, the **Managers**, and each individually, a **Manager**), to act as joint bookrunners for the Offering.

Over-Allotment Option

The Institutional Sellers and Danske Bank A/S, Helsinki Branch (the **Stabilizing Manager**) may agree that the Institutional Sellers shall give the Stabilizing Manager an over-allotment option exercisable within 30 days from the commencement of trading of the Shares on the Helsinki Stock Exchange (which is estimated to occur between November 30, 2016 and December 29, 2016 (the **Stabilization Period**)), to purchase or to procure purchasers for a maximum of 6,064,100 additional Shares solely to cover over-allotments (the **Over-Allotment Option**). The Shares included in the Over-Allotment Option represent approximately 4.6 percent of the Shares and votes after the Share Issue assuming that the Sellers sell maximum amount of Sale Shares and that the Company issues 4,766,905 New Shares (the number of New Shares is calculated assuming that the Final Offer Price would be at the mid-point of the Preliminary Price Range (as described below) and total of 50,000 New Shares would be subscribed in the Personnel Offering at the discount applicable to such New Shares).

Stabilization

After the Offering, the Stabilizing Manager may, but is not obligated to, within the Stabilization Period, engage in measures which stabilize, maintain or otherwise affect the price of the Shares. The Stabilizing Manager may allocate a larger number of Shares than the total number of Offer Shares, which creates a short position. The short position is covered if the short selling does not exceed the number of Shares, which Stabilizing Manager can acquire through the Over-Allotment Option. The Stabilizing Manager may close covered short selling with the Over-Allotment Option or by purchasing Shares in the market. In determining the acquisition method of the Shares to cover short selling, the Stabilizing Manager considers, among other things, the market price of the Shares compared to the Over-Allotment Option price. After the Offering, Stabilizing Manager may also bid for and purchase Shares in the market to stabilize the share price. These measures may raise or maintain the market price of the Shares in comparison with the price levels determined independently on the market or may prevent or delay any decrease in the market price of the Shares. However, the stabilization measures may not be conducted on a higher price than what is the Final Offer Price. The Stabilizing Manager has no obligation to carry out these measures, and they may stop any of these measures at any time. The Stabilizing Manager or the Company on behalf of the

Stabilizing Manager will publish information regarding the stabilization required by legislation or other applicable regulations at the end of stabilization period.

Any stabilization measures will be conducted in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

The Stabilizing Manager and the Institutional Sellers are expected to sign a share lending agreement in connection with the Listing related to the settlement and stabilization. According to the share lending agreement, the Stabilizing Manager may borrow a number of Shares equal to the Over-Allotment Option to cover any possible over-allotments in connection with the Offering. To the extent that the Stabilizing Manager borrows Shares, it must return an equal number of Shares to the Institutional Sellers. For further information, see "*Plan of Distribution*".

Placing Agreement

The Company, the Institutional Sellers and the Managers are expected to sign a placing agreement on or about November 29, 2016 (the **Placing Agreement**). According to the Placing Agreement, the Company agrees to issue and the Sellers agree to sell Offer Shares to the purchaser found by the Managers or, failing which, to the Managers themselves, and each of the Managers, severally will agree to procure purchasers for, or failing such procurement, to subscribe or purchase, the Offer Shares, provided certain conditions are fulfilled. For further information, see "*Plan of Distribution*".

Offer Period

The subscription period for the Public Offering will commence on November 15, 2016 at 10 a.m. (Finnish time) and end on November 25, 2016 at 4 p.m. (Finnish time).

The subscription period for the Institutional Offering will commence on November 15, 2016 at 10 a.m. (Finnish time) and end on November 29, 2016 at 12 noon (Finnish time).

The subscription period for the Personnel Offering will commence on November 15, 2016 at 10 a.m. (Finnish time) and end on November 25, 2016 at 4 p.m. (Finnish time).

The Company's Board of Directors and the Institutional Sellers have jointly, in the event of an oversubscription, the right to discontinue the Institutional Offering and the Public Offering by joint decision at the earliest on November 22, 2016 at 4 p.m. (Finnish time). The Company's Board of Directors may discontinue the Personnel Offering in its sole consideration no earlier than November 22, 2016 at 4 p.m. (Finnish time). The Institutional Offering, the Public Offering and the Personnel Offering may or may not be discontinued independently of each other. A stock exchange release regarding the possible discontinuation will be published immediately after the discontinuation.

The Company's Board of Directors and the Institutional Sellers have the right to extend the subscription period of the Institutional Offering and the Public Offering. The Company's Board of Directors has the right to extend the subscription period of the Personnel Offering. A possible extension of the subscription period will be communicated through a stock exchange release, which will indicate the new end date of the subscription period. The subscription period of the Institutional Offering, the Public Offering and the Personnel Offering will in any case end on December 7, 2016 at 4 p.m. (Finnish time) at the latest. The Company and the Institutional Sellers may or may not extend the subscription period of the Institutional Offering, the Public Offering or the Personnel Offering independently of each other. The stock exchange release concerning the extension of the subscription period must be released at the latest on the above mentioned estimated end dates of the Institutional Offering, the Public Offering and the Personnel Offering.

Offer Price

The preliminary price range for the Offer Shares in the Institutional Offering and Public Offering is a minimum of EUR 9.85 and a maximum of EUR 11.15 per Offer Share (the **Preliminary Price Range**). The Preliminary Price Range can be changed during the subscription period, which will be then communicated through a stock exchange release. If the Preliminary Price Range increases or decreases, the Finnish language prospectus published by the Company in connection with the Offering (the **Finnish Prospectus**) will be supplemented and the supplement shall be published through a stock exchange release. The Final

Offer Price may be above or below the Preliminary Price Range. However, the Final Offer Price in the Public Offering shall not be higher than the maximum of the Preliminary Price Range, EUR 11.15 per Offer Share. The subscription price per share in the Personnel Offering is 10 percent lower than the Final Offer Price in the Public Offering. Thus, the Final Offer Price per Offer Share in the Personnel Offering is EUR 10.035 at maximum.

The Final Offer Price will be determined in negotiations between the Company, the Institutional Sellers and the Managers based on the purchase offers of institutional investors in the Institutional Offering (**Purchase Offer**) after the offer period for Institutional Offering has ended, on or about November 29, 2016 (the **Pricing**). The Final Offer Price and the subscription price per share in the Personnel Offering will be communicated through a stock exchange release and be available on the Company's website at www.dna.fi/ipo immediately after the Pricing and in the subscription places of the Public Offering and the Personnel Offering no later than the business day following the Pricing, i.e. on or about November 30, 2016.

The Conditionality, Execution and Publishing of the Offering

The Board of Directors will decide on execution of the Share Issue and the Institutional Sellers will decide the execution of the Share Sale and the Board of Directors and the Institutional Sellers will jointly decide on the final amount of the Offer Shares, the Final Offer Price and the allocation of Offer Shares in conjunction with the Pricing on or about November 29, 2016. The above will be published through a stock exchange release and they will available on the Company's website at www.dna.fi/ipo immediately after the Pricing and in the subscription places of the Public Offering and the Personnel Offering no later than the business day following the Pricing, i.e. on or about November 30, 2016. The execution of the Offering is conditional upon the signing of the Placing Agreement.

Cancellation of the Commitments

A commitment to subscribe for or purchase Offer Shares in the Public Offering or subscribe for Personnel Shares in the Personnel Offering (the **Commitment**) cannot be amended. A Commitment may only be cancelled in the situations provided for in the Securities Markets Act.

Cancellation in Accordance with the Securities Markets Act

If the Finnish Prospectus is supplemented or corrected due to a material error or omission or due to material new information that has become known after the Finnish Financial Supervisory Authority has approved the Finnish Prospectus and before trading in the Offer Shares begins on the Helsinki Stock Exchange, investors who have given their Commitments before the supplement or correction of the Finnish Prospectus have, in accordance with the Securities Markets Act, the right to cancel their Commitments within at least two (2) banking days after the supplement or correction has been published. The use of the cancellation right requires that the error, omission or material new information that led to the supplement or correction has become known prior to the delivery of the Offer Shares to the investors. Any cancellation of a Commitment must concern the total number of Offer Shares covered by the Commitments given by an individual investor. If the Finnish Prospectus is supplemented, the supplement will be published through a stock exchange release. The stock exchange release will also include information on the right of the investors to cancel their Commitments.

Procedure to Cancel a Commitment

The cancellation of a Commitment must be notified in writing to the subscription place where the initial Commitment was made and within the time limit set for such cancellation, with following exceptions:

- A Commitment made by telephone to the Danske Bank Investment Line may be cancelled by telephone using Danske Bank's bank identifiers.
- A Commitment made by telephone to the Nordea 24/7 service line may be cancelled by telephone using Nordea Bank's bank identifiers.
- The cancellation of a Commitment made online via the Danske Bank eBanking service, corporate eBanking services or Web subscription can be made by visiting a Danske Bank office (excluding corporate offices) in person or through an authorized representative or by calling Danske Bank Investment Line using Danske Bank's bank identifiers.

- The cancellation of a Commitment made online via Nordea Netbank can be made by visiting a Nordea Bank office (excluding corporate offices) in person or through an authorized representative or by calling Nordea 24/7 using Nordea Bank's bank identifiers.
- In the Personnel Offering, the cancellation of a Commitment can be made by visiting a Danske Bank office (excluding corporate offices) in person or through an authorized representative or by calling Danske Bank Investment Line using Danske Bank's bank identifiers.

The possible cancellation of a Commitment concerns the entire Commitment. After the time limit set for cancellation has expired, the cancellation right is no longer valid. If a Commitment made in the Public Offering is cancelled, the place of subscription will return the amount paid for the Offer Shares to the bank account stated in the Commitment. The money is refunded as soon as possible after the cancellation, approximately within five (5) banking days of the cancellation notice being given to the subscription place. If an investor's bank account is in a different bank than the subscription place, the refund will be paid to a Finnish bank account in accordance with the payment schedule of the financial institutions, approximately no later than two (2) banking days thereafter. No interest will be paid on the refunded amount.

Registration of Offer Shares to Book-Entry Accounts

An investor making a Commitment must have a book-entry account with a Finnish account operator, or with an account operator operating in Finland, and submit the number of his or her book-entry account in the Commitment. Offer Shares issued in the Public Offering are recorded in the book-entry accounts of investors who have made an approved Commitment on or about the first banking day after the Pricing takes place, on or about November 30, 2016. In the Institutional Offering, the Offer Shares will be ready to be delivered against payment on or about December 2, 2016 through Euroclear Finland. Personnel Shares are recorded in the book-entry accounts of investors who have given an approved Commitment on or about December 16, 2016.

Title and Shareholder Rights

The title to the Offer Shares is transferred when the Offer Shares are paid for, the New Shares are registered in the Trade Register and the Offer Shares recorded in the investor's book-entry account. The Offer Shares carry rights equal to all other Shares in the Company and will entitle their holders to dividend and other distributions of funds as well as other rights related to the Shares as of the title has been transferred.

Transfer Tax and Other Expenses

No transfer tax is payable in connection with the issue or subscription of the New Shares. Account operators charge fees in accordance with their price lists for the maintenance of the book-entry account and for safekeeping of the Shares. The Sale Shares are sold in connection with commencement of trading in the Shares on the pre-list of the Helsinki Stock Exchange, and no transfer tax is expected to be payable for these transfers. If transfer tax is due, the Sellers will pay any transfer tax payable on transfers of Sale Shares.

Trading in the Shares

The Company will submit a listing application to the Helsinki Stock Exchange for the listing of the Shares on the official list maintained by the Helsinki Stock Exchange. Trading in the Offer Shares is expected to begin on the pre-list of the Helsinki Stock Exchange on or about November 30, 2016 and on the official list of the Helsinki Stock Exchange on or about December 2, 2016. Trading in the Personnel Shares is expected to begin on or about December 16, 2016. The share trading code of the Shares is "DNA" and ISIN code FI4000062385.

Right to Cancel the Offering

The Institutional Sellers may cancel the Share Sale and the Board of Directors may cancel the Share Issue at any time before the decision to complete them is made on the grounds of, for example, the market conditions, the Company's financial position or a material change in the Company's business. If the Institutional Sellers decide to cancel the Share Sale and/or the Board of Directors decides to cancel the Share Issue, the sales and subscription prices paid by the investors will be refunded in approximately five (5) banking days from the cancellation decision. If an investor's bank account is in a different bank than the subscription place, the refund will be paid to a Finnish bank account in accordance with the payment schedule of the financial institutions, approximately no later than two (2) banking days thereafter. No interest will be paid on the refunded amount.

Lock-up

The parties mentioned below shall agree with the Managers that, during a period ending 180 days from the Listing, i.e. until May 29, 2017 as regards the Company and 360 days from the Listing, i.e. until November 25, 2017 as regards the Institutional Sellers and the members of the Board of Directors, executive officers and certain other key employees of the Company, neither any of these persons nor any party acting on their behalf, save for the Offering and certain other exceptions, will, without the prior written consent of the Joint Global Coordinators, issue, offer, pledge, sell, contract to sell, sell any option rights or contract to purchase, purchase any option or contract to sell, grant any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares or any securities exchangeable for or convertible into or exercisable for, or substantially similar to, Shares, or enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Shares, whether any such transactions are to be settled by delivery of the Shares or other securities, in cash or otherwise. The lock-up does not apply to certain situations, including, as regards the Company, the issue by the Company of any Shares upon the exercise of an option under share option schemes in existence at the date of commencement of trading of the Shares on the Helsinki Stock Exchange disclosed in this Offering Circular and, as regards the Sellers and other parties named above, a takeover bid concerning the Company or a Share buyback directed to all shareholders, and does not concern shares other than those owned by the Sellers Institutional Sellers and the members of the Board of Directors or the management of the Company at the date of admission of the Shares to trading on the Helsinki Stock Exchange. Mutual Pension Insurance Company Ilmarinen and the Sellers other than Institutional Sellers have correspondingly agreed that, during a period ending 360 days from the Listing, i.e. until November 25, 2017 as regards the Sellers other than Institutional Sellers and 90 days from the Listing i.e. until February 28, 2017 as regards Mutual Pension Insurance Company Ilmarinen, these persons will not, without the prior written consent of the Joint Global Coordinators, sell, pledge, transfer or otherwise dispose the Company's shares owned by them.

By submitting a Commitment to participate in the Personnel Offering the respective party agrees to be bound by a lock-up in respect of Personnel Shares. In accordance with these lock-up restrictions, parties participating in the Personnel Offering may not, without the prior written consent of the Joint Global Coordinators (which consent may not be unreasonably withheld) during a period ending 360 days after the Listing, i.e. until approximately November 25, 2017, sell, sell short, pledge or otherwise directly or indirectly transfer Personnel Shares, option rights or warrants to purchase Personnel Shares or other securities exchangeable for or convertible into or exercisable for Personnel Shares that they may hold or purchase in the Personnel Offering or be authorized to transfer. Investors participating in the Personnel Offering agree that the lock-up described above can be registered in their book-entry accounts.

The lock-ups concern in total approximately 69.2 percent of the Shares and votes after the Share Issue without the Over-Allotment Option (approximately 64.6 percent including the Over-Allotment Option) assuming that the Sellers sell maximum amount of Sale Shares and that the Company issues 4,766,905 New Shares (the number of New Shares is calculated assuming that the Final Offer Price would be at the mid-point of the Preliminary Price Range (as described below) and total of 50,000 New Shares would be subscribed in the Personnel Offering at the discount applicable to such New Shares).

Other Issues

Other issues and practical matters relating to the Share Issue will be resolved by the Board of Directors of the Company.

Other issues and practical matters relating to the Share Sale will be resolved by the Institutional Sellers.

Documents on Display

The Company's latest financial statements, report of the Board of Directors and the auditor's report as well as the other documents pursuant to Chapter 5, Section 21 of the Companies Act, are available during the subscription period at the offices of the Company in Läkkisepäntie 21, FI-00620 Helsinki, Finland.

Governing Law

The Offering shall be governed by the laws of Finland. Any disputes arising in connection with the Offering shall be settled by a court of competent jurisdiction in Finland.

Special Terms and Conditions of the Public Offering

General

Preliminarily a maximum of 1,000,000 Offer Shares are offered in the Public Offering for subscription by private individuals and corporations in Finland. The Company and the Institutional Sellers may, based on demand, reallocate Offer Shares between the Institutional Offering, the Public Offering and the Personnel Offering in deviation from the preliminary number of Offer Shares without limitation. However, the minimum number of Offer Shares to be offered in the Public Offering shall be 1,000,000 Offer Shares or, if the aggregate number of Offer Shares covered by the Commitments submitted in the Public Offering is smaller than this, such aggregate number of Offer Shares as covered by the Commitments.

The subscription place has the right to reject a Commitment, either partially or wholly, if the Commitment does not comply with the terms and conditions set forth herein or if it is otherwise incomplete.

Right to Participate, the Minimum and Maximum Amounts for Commitments

Investors, whose domicile is in Finland and who submit their Commitments in Finland, may participate in the Public Offering. In the Public Offering, the Commitment must concern a minimum of 100 Offer Shares and a maximum of 20,000 Offer Shares. Each investor may only provide one Commitment in the Public Offering. If an investor provides Commitments in the Public Offering in more than one place of subscription, only the first Commitment will be considered when allocating the Offer Shares.

Places of Subscription and Submission of Commitments

The places of subscription in the Public Offering for customers with a book-entry account in Danske Bank are:

- Danske Bank Plc's offices in Finland during normal business hours;
- Danske Bank Plc's Private Banking offices in Finland (for Danske Bank Plc's Private Banking customers only);
- Danske Bank's Investment Line with Danske Bank's bank identifiers by telephone, 9.00 a.m. to 8.00 p.m. Monday to Friday and 10.00 a.m. to 4.00 p.m. Saturday (Finnish time), tel. +358 200 2000 (local network charge/mobile call charge);
- Danske Bank Plc's eBanking service with bank identifiers for private customers at www.danskebank.fi; and
- Danske Bank corporate eBanking services in the Markets Online module for Business Online customers.

Submitting a Commitment by phone via Danske Bank's Investment Line or Danske Bank eBanking service requires a valid eBanking agreement with Danske Bank. Corporations may not submit Commitments via Danske Bank Plc's eBanking service or Web subscription. The Danske Bank Investment Line calls will be recorded.

The places of subscription in the Public Offering for customers with a book-entry account in Nordea Bank are:

- Nordea Bank Finland Plc's branches in Finland (except branches with cash services only) during normal business hours;
- Nordea Private Banking units in Finland (only for Nordea Private Banking customers);
- Nordea customer service with bank identifiers, Monday to Friday 8.00 a.m. to 8.00 p.m. (Finnish time), tel. +358 200 3000 (service in Finnish, local network charge/ mobile call charge), tel. +358 200 5000 (service in Swedish, local network charge/ mobile call charge) or Monday to Friday 10.00 a.m. to 4.30 p.m. (Finnish time), tel. +358 200 70 000 (service in English, local network charge/ mobile call charge); and
- Nordea Netbank with bank identifiers at www.nordea.fi.

The submission of a Commitment by phone and in Nordea Netbank requires a valid Netbank agreement with Nordea. Corporations may not submit Commitments by phone through Nordea Customer Service or Nordea Netbank. The calls with Nordea Customer Service will be recorded.

The places of subscription in the Public Offering for customers with no book-entry account in Danske Bank are:

- Web subscription at www.danskebank.fi for private customers; and

- Danske Bank Plc's offices (excluding corporate offices) in Finland during normal business hours. Information on the offices offering subscription services is available by phone using Danske Bank's Investment Line, 9.00 a.m. to 6.00 p.m. Monday to Friday and 10.00 a.m. to 4.00 p.m. Saturday (Finnish time), tel. +358 10 54 63151 (local network charge/mobile call charge), by e-mail at the address sijoituslinja@danskebank.fi or online at www.danskebank.fi.

Individual investors can submit Commitments up to EUR 15,000 in the Public Offering through Web subscription. If the subscription exceeds EUR 15,000, the Commitment can be given at Danske Bank banking offices. The Offer Shares covered by a Commitment must be paid using an account in the name of the investor making the Commitment.

A Commitment will be considered to have been made when the investor has submitted a signed commitment form to the place of subscription in accordance with instructions or confirms the Commitment with bank identifiers in accordance with instructions, and paid for the subscription concerned by the Commitment. Any more detailed instructions issued by the place of subscription must be taken into consideration when submitting a Commitment. Commitments can only be cancelled in the manner and situations referred to above under "*General terms and conditions of the Offering—Cancellation of Commitments*."

Payment of the Offer Shares

When submitting a Commitment, the maximum price of the Preliminary Price Range, EUR 11.15 per Offer Share, multiplied by the number of Offer Shares covered by the Commitment is to be paid for the Offer Shares. The Final Offer Price per share in the Public Offering shall not be higher than the maximum of the Preliminary Price Range.

The payment of a Commitment submitted in a banking office of Danske Bank, Danske Bank's Private Banking offices or via Danske Bank's Investment Line will be debited directly from the investor's bank account in Danske Bank, or it may be paid by bank transfer. The payment corresponding to a Commitment that has been submitted through Danske Bank eBanking service of Danske Bank corporate eBanking services will be charged from the investor's bank account when the investor confirms the Commitment with his or her bank identifiers.

If the Commitment has been submitted in a banking office of Nordea, the payment will be charged from the investor's bank account in Nordea or it may be paid in cash. The payment corresponding to the Commitment that has been submitted through Nordea Netbank will be charged from the investor's bank account when the investor confirms the Commitment with his or her bank identifiers.

The payment of a Commitment submitted through Web subscription must be made in accordance with the terms and conditions/instructions of Web subscription immediately after the Commitment has been submitted.

Approval of Commitments and Allocation

In the Public Offering, The Company and the Institutional Sellers will decide on the allocation of Offer Shares to investors after the Pricing. The Company and the Institutional Sellers will decide on the procedures in the event of a potential oversubscription. The Commitments can be accepted partially or wholly or they may be rejected. The Company and the Institutional Sellers aim to approve Commitments in full for up to 100 Offer Shares and, for Commitments exceeding this amount, allocate the Offer Shares in proportion to the amount of Commitments unmet. A confirmation letter regarding the approval of the Commitments and allocation of the Offer Shares will be sent as soon as possible and on or about December 12, 2016 at the latest to all investors who have submitted their Commitments in the Public Offering.

Refunding of Paid Amount

If a Commitment is rejected or approved only in part and/or if the Final Offer Price is less than the price paid in connection with submission of the Commitment, the paid amount of part thereof will be refunded to the investor who submitted the Commitment approximately five (5) business days after the Pricing, i.e. on or about December 7, 2016, to the Finnish bank account stated in the Commitment. If an investor's bank account is in a different bank than the subscription place, the refund will be paid to a Finnish bank account in accordance with the payment schedule of the financial institutions, approximately no later than two (2) banking days thereafter. No interest will be paid on the refunded amount. See also "*General terms and conditions of the Offering—Cancellation of Commitments*."

Registration of Offer Shares to Book-Entry Accounts

The investors who have submitted a Commitment must have a book-entry account in a Finnish account operator or an account operator operating in Finland, and the investors must specify the number of their book-entry accounts in their Commitment. It is expected that the Offer Shares allocated in the Public Offering will be entered into the book-entry accounts of the investors whose Commitments have been approved on the first business day after the Pricing, i.e. on or about November 30, 2016.

Special Terms and Conditions of the Institutional Offering

General

Preliminarily a maximum of 39,981,143 Offer Shares are offered in the Institutional Offering to institutional investors in Finland and internationally. The Company and the Institutional Sellers may, based on demand, reallocate Offer Shares between the Institutional Offering, the Public Offering and the Personnel Offering in deviation from the preliminary number of Offer Shares without limitation. However, the minimum number of Offer Shares to be offered in the Public Offering shall be 1,000,000 Offer Shares or, if the aggregate number of Offer Shares covered by the Commitments submitted in the Public Offering is smaller than this, such aggregate number of Offer Shares as covered by the Commitments.

The Offer Shares are being offered in the Institutional Offering to institutional investors in Finland and internationally in certain other countries outside the United States in accordance with Regulation S under the U.S. Securities Act and, in the United States, to QIBs as defined in Rule 144A under the U.S. Securities Act, pursuant to exemptions from the registration requirements of the U.S. Securities Act. The Shares (including, for the avoidance of doubt, the Offer Shares) have not been registered, and they will not be registered under the U.S. Securities Act or under the securities laws of any state of the United States and, accordingly, will not be offered or sold, directly or indirectly, in or into the United States (as defined in Regulation S of the U.S. Securities Act) unless they have been registered under the U.S. Securities Act or pursuant to an exemption from the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws of the United States. For more information on restrictions concerning the offering of the Offer Shares, please see "*Certain Information with Regard to the Offering*" and "*Selling and Transfer Restrictions*."

Right to Participate

An investor, whose Purchase Offer includes at least 20,001 Offer Shares, may participate in the Institutional Offering.

Purchaser Offers by institutional investors may be submitted to the Managers of the Offering.

Approval of the Purchaser Offers and Allocation

In the Institutional Offering, the Company and Institutional Sellers decide on the approvals of the Purchaser Offers after the Pricing. The Company and the Institutional Sellers will decide on the procedures in the event of a potential oversubscription. The Purchaser Offers can be accepted or rejected partially or wholly. A confirmation of the accepted Purchaser Offers in the Institutional Offering will be provided as soon as practically possible after the allocation of the Offer Shares.

Payment of the Offer Shares

Institutional investors must pay for the Offer Shares corresponding to their accepted Purchaser Offer in accordance with the instructions issued by the Managers, on or about December 2, 2016. If necessary in connection with a Purchase Offer being made or before the approval of a Purchase Offer, the Managers have the right provided by the duty of care set for securities intermediaries to require that the investor provides information concerning its ability to pay for the Offer Shares corresponding to its Purchase Offer or require that the amount corresponding to the Purchase Offer be paid in advance. The amount to be paid in this connection is the maximum price of the Preliminary Price Range, EUR 11.15, multiplied by the number of Offer Shares covered by the Purchase Offer. The Final Offer Price in the Institutional Offering may be lower or higher than the Preliminary Price Range. If the Preliminary Price Range is increased, the maximum price per share of the new price range will be applied to the orders submitted thereafter. Possible refunds will be made on or about on the fifth (5th) banking day following the Pricing, i.e. on or about December 7, 2016. No interest will be paid on the refunded amount.

Special Terms and Conditions of the Personnel Offering

General

In the Personnel Offering, a maximum of 50,000 Personnel Shares and, in the event of an oversubscription, a maximum of 250,000 additional Personnel Shares will be offered to all permanent or fixed-term employees of the Company or its wholly owned subsidiaries in Finland and all agency employees who work at the Company or its wholly owned subsidiaries during the subscription period in Finland, the members of the Board of Directors of the Company and the CEO of DNA (the **Personnel**).

The Personnel Shares are being offered in deviation from the shareholders' pre-emptive subscription right to incentivize and promote the commitment of the Personnel to the Company. The subscription price per share for Personnel Shares in the Personnel Offering is 10 percent lower than the Final Offer Price in the Public Offering, no more than EUR 10.035. The Final Offer Price will be published through a stock exchange release immediately following the Pricing and it shall be available at the latest on the next banking day following the Pricing, on or about November 30, 2016 at the subscription place of the Personnel Offering.

Right to Participate in the Personnel Offering

Only the Personnel are entitled to subscribe for Personnel Shares.

The right to participate in the Personnel Offering is personal and non-transferrable. Persons entitled to participate can, however, make a subscription through an authorized representative. Persons participating in the Personnel Offering can also participate in the Public Offering subject to its terms if they wish.

A Commitment in the Personnel Offering must concern 100 Personnel Shares at minimum.

Allocation of the Personnel Shares

The Board of Directors will decide on the allocation of the Personnel Shares after the Pricing. The Board of Directors will decide on the procedure to be followed in the event of an oversubscription and will, if necessary, use its authorization to issue a maximum of 250,000 additional Personnel Shares. Commitments can be approved or rejected in full or in part. The Board of Directors aims to approve Commitments in full for up to 100 Personnel Shares and, for Commitments exceeding this amount, allocate Personnel Shares in proportion to the amount of Commitments unmet. If a Commitment is rejected or approved only in part and/or if the price per share in the Personnel Offering is less than the price paid in connection with submission of the Commitment in circumstances provided in separate instructions for the persons entitled to subscription, the paid amount of part thereof will be refunded to the person who submitted the Commitment approximately five (5) business days after the Pricing, i.e. on or about December 7, 2016, to the Finnish bank account stated in the Commitment. If the investor has a bank account at a financial institution other than the place of subscription, the refunded amount will be paid to a Finnish bank account according to the general schedule of payment transactions between financial institutions, approximately two (2) business days later. See also "*General terms and conditions of the Offering—Cancellation of Commitments*." All investors who have participated In the Personnel Offering and made a subscription of no more than EUR 15,000 will be provided with a confirmation letter regarding the approval of the Commitments and allocation of the Offer Shares as soon as possible and on or about December 12, 2016 at the latest. Investors who have participated in the Personnel Offering and made a subscription of EUR 15,000 or more will be provided with the above-mentioned confirmation letter as soon as possible after the allocation.

Places of Subscription and Submission of Commitments

In the Personnel Offering, Commitments are submitted in accordance with separate instructions provided to the parties entitled to subscribe.

The Company or Danske Bank A/S, Helsinki Branch have the right to reject a Commitment, either partially or wholly, if the Commitment does not comply with the terms and conditions herein or if it is otherwise incomplete.

Payment and Registration of the Personnel Shares

The Personnel Shares are paid in accordance with separate instructions provided to the parties entitled to subscribe. Subscriptions of no more than EUR 15,000 shall be paid in connection with making the Commitment. If a subscription exceeds EUR 15,000, the subscription shall be paid by December 7, 2016. The Personnel Shares subscribed in the Personnel Offering will be registered in the Trade Register maintained by the Finnish Patent and Registration Office on or about December 16, 2016.

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth the capitalization and indebtedness of DNA as at September 30, 2016 (i) on an actual basis based on the Company's unaudited interim financial information as at and for the nine months ended September 30, 2016 and (ii) as adjusted following the Offering that reflects the receipt of net proceeds of EUR 38 million assuming that all the Offer Shares are subscribed for in the Offering and the effect of cancellation of treasury shares.

The following table should be read together with "*Selected Consolidated Financial Information*" and "*Operating and Financial Review*", the Unaudited Interim Financial Information and the Audited Consolidated Financial Statements of the Company included in the F-pages to this Offering Circular.

	As at September 30, 2016	
	Actual	As adjusted
	(unaudited) (EUR in thousands)	
CAPITALIZATION		
Current borrowings		
Guaranteed/secured	15,238	15,238
Unguaranteed/unsecured	64,951	64,951
Total current borrowings	80,189	80,189
Non-current borrowings		
Guaranteed/secured	22,857	22,857
Unguaranteed/unsecured	318,473	318,473
Total non-current borrowings	341,330	341,330
Total borrowings	**421,519**	**421,519**
Equity attributable to owners of the parent		
Share capital	72,702	72,702
Reserve for invested unrestricted equity	607,335	651,235[(1)(2)]
Treasury shares	(103,321)	—[(3)]
Retained earnings	(91,188)	(194,509)[(3)]
Net result for the period	55,573	50,237[(2)]
Total equity	**541,100**	**579,665**
Total equity and borrowings	**962,619**	**1,001,184**
INDEBTEDNESS		
Cash and cash equivalents	48,369	86,279[(1)(2)]
Liquidity	**48,369**	**86,279**
Current borrowings	80,189	80,189
Net current financial indebtedness	**31,820**	**(6,090)**
Non-current borrowings	341,330	341,330
Net financial indebtedness	**373,150**	**335,240**

(1) The Company aims to raise gross proceeds of approximately EUR 50 million through the Share Issue (assuming that the Final Offer Price would be at the mid-point of the Preliminary Price Range and that DNA's Personnel would subscribe for a total of 50,000 New Shares at the discount applicable to such New Shares in accordance with their allocation preference in the Personnel Offering, and assuming that the Share Issue is fully subscribed for). The gross proceeds will strengthen the Company's capitalization by increasing the Company's reserve for invested unrestricted equity and cash and cash equivalents by a corresponding amount. With respect to the Share Issue, it should be noted that the realization of the proceeds from the abovementioned Share Issue is uncertain.

(2) Gross proceeds from the Share Issue have been adjusted with estimated expenses of approximately EUR 6.1 million relating to the Share Issue and Net result for the period has been adjusted with other estimated expenses related to the Listing of EUR 5.3 million expected to be incurred after the nine months ended September 30, 2016. Expenses related to the Listing of EUR 0.8 million have been incurred and expensed for the nine months ended September 30, 2016. The total amount of the estimated expenses relating to the Share Issue and the Listing is approximately EUR 12.2 million of which the unpaid amount of EUR 12.1 million on September 30, 2016 has been adjusted from cash and cash equivalents. Adjustments do not reflect tax impact.

(3) The Companys Board of Directors decided at September 30, 2016 to cancel all treasury shares, as a result the amount recognized in the treasury shares included in the total equity amounting to EUR (103,321) thousand has been transferred as reduction of retained earnings. The decision was entered in the Finnish Trade Register on October 13, 2016.

For information on the Company's conditional debts and certain other off-balance sheet liabilities, see "*Operating and Financial Review—Certain Contractual Obligations.*"

In this section, DNA makes certain statements regarding its core market, expected growth of such core market and its competitive and market position. This section presents a review on service-specific markets taking into account data relating to both consumer and corporate customers. This section also contains other information relating to DNA's business and, unless otherwise indicated, such information is based on an analysis of multiple sources. See "Certain Matters—Market and Industry Information."

Finnish Macro Environment

The population in Finland was 5.5 million as at December 31, 2015 (source: Statistics Finland). This corresponds to population density of 18.1 inhabitants per square kilometer, which is significantly lower than the EU average of 116.7 inhabitants per square kilometer in 2014 (source: Eurostat). Most of the population is located in the Southern Finland, which has some densely populated urban zones such as the greater Helsinki area, Turku and Tampere. As at December 31, 2015, the population was distributed across age groups as follows: 21.8 percent aged 0–19 years, 25.2 percent aged 20–39 years, 32.5 percent aged 40–64 years and 20.5 percent over 65 years (source: Statistics Finland). Finland's population has grown at an annual rate of approximately 0.4 percent from 2006 to 2015, roughly in line with the rate in EU-15 corresponding to 0.4 percent (source: Eurostat).

In 2015, Finland had and an estimated GDP per capita of EUR 41,100 compared with the EU-15 average of EUR 42,400 (EUR 38,100 excluding Luxembourg) (source: BMI Research). The following table presents key economic indicators for Finland and the EU-15 countries.

	2013	2014	2015	2016E	2017E	2018E	2019E
Finland							
GDP growth volume, %	(0.8)	(0.7)	0.7	1.5	1.3	1.6	1.8
Unemployment rate, %	8.2	8.7	9.4	9.3	9.0	8.5	8.0
Consumer confidence(1)	7.2	6.9	9.3	—	—	—	—
Inflation(2), %	2.2	1.2	(0.2)	0.4	1.4	1.7	1.9
Government debt % GDP	56	59	63	—	—	—	
EU-15 average							
GDP growth volume, %	0.1	1.4	2.1	1.8	1.7	1.7	1.7
Unemployment rate, %	10.9	10.5	9.9	9.7	9.3	9.0	8.7
Consumer confidence(1)	(15.4)	(6.5)	(2.9)	—	—	—	—
Inflation(2), %	1.2	0.4	0.1	0.6	1.2	1.5	1.6
Government debt %GDP	88	89	88	—	—	—	—

Source: BMI Research, Euromonitor, Eurostat, International Monetary Fund World Economic Outlook, April 2016

(1) Annual average of monthly consumer confidence index

(2) Harmonised consumer price index

Following a decline in GDP both in 2013 and 2014, Finland's GDP grew in 2015 and continued to improve during the first quarter of 2016 (source: Statistics Finland). Growth was largely driven by private consumption and domestic demand is forecasted to drive the growth also in the future. Although the growth in recent years has been slower than in EU-15 average, consumer confidence has remained positive. The average of the consumer confidence index in January to August 2016 was 13.3, above the levels seen in 2013 to 2015 (source: Statistics Finland) and considerably higher than EU-15 average of −4.6 (source: Eurostat). Government indebtedness (Government debt as percent of GDP) in Finland in 2015 was 63 percent, which is significantly lower than EU-15 average of 88 percent (source: Eurostat). Low indebtedness is also reflected in low country risk, measured as ten year government bond CDS spread[1], which as of September 9, 2016 was 57 bps for Finland while the EU-15 average was 153 bps (source: Bloomberg). The economic slowdown has had an impact on the unemployment rate, which increased from 8.7 percent in 2014 to 9.4 percent in 2015 (source: Statistics Finland), but is still lower than EU-15 average of 9.9 percent (source: Eurostat). Unemployment is forecasted to improve in the coming years, reaching 8.0 percent in 2019 (source: IMF, World Economic Outlook Database, April 2016). Price levels in Finland decreased slightly in 2015, but inflation is expected to rise along with increasing economic growth in the coming years.

[1] USD denominated credit default swap for the ten year government bond

Finland provides an attractive business environment with a relatively low corporate tax rate of 20.0 percent, compared to the average rate of 25.3 percent in EU-15 countries (source: KPMG corporate tax rate table). According to the World Economic Forum's Global Competitiveness Index 2016–2017, Finland ranks tenth in competitiveness[2] globally, and according to the Transparency International's 2015 index, the perceived level of public sector corruption in Finland is the second lowest in the world. In addition, Finland has one of the lowest income inequality in the European Union. In 2015, the Gini coefficient for Finland was 28.1 (lower value means lower inequality) compared to EU-15 average of 36.0 (source: Euromonitor).

The combination of high consumer confidence, low government indebtedness, low corporate tax rate, attractive business environment and evenly distributed wealth provides a healthy platform for sustained economic growth in Finland in the medium and long-term.

Finland is also among the most digitally sophisticated countries with one of the highest adoptions of internet services. The share of regular internet users reached 91 percent of the population in 2015, placing Finland in 4th position in EU only marginally behind Denmark and the Netherlands. Only Luxembourg had significantly higher score with 97 percent of the population using internet regularly. Finnish population also has high digital skills ranking second in basic digital skills only behind Luxembourg and with highest share of ICT specialist in workforce in the EU (source: the European Commission).

Overview of Finnish Telecommunications Market

Telecommunications market in Finland is characterized by a stable competitive environment. The three main telecommunications services providers—DNA, Elisa and Telia Company—generated approximately 87 percent of market revenues in 2015 (source: FICORA) and for the present, there have not been significant disruptive new operators trying to aggressively gain market share. Each of the three incumbent operators provides both mobile and fixed services for both consumer and corporate customers, providing the Finnish telecommunications market with further stability. In addition, unlike in most other markets in Europe, the presence of MVNOs has remained marginal in the Finnish mobile market, owing mainly to high data usage and unlimited data tariffs, which render the MVNO economics unattractive. Further, market entry by new MNOs would require significant investments due to the high coverage requirements in spectrum licenses and due to high network density that is required in a market with high data usage.

In the mobile handset sector, approximately 92 percent of subscriptions were on postpaid tariffs at the end of 2015 (source: FICORA) and almost all tariffs offered by the three mobile operators—DNA, Elisa and Telia Company—include unlimited data usage with fixed monthly subscription fee determined primarily by data connection speed. The combination of unlimited data tariffs with high quality of mobile networks in Finland has resulted in strong take-up in mobile broadband subscriptions (approximately 28 percent of Finns relied on mobile broadband as their primary broadband access method in 2015 (source: IDC)), which in turn has contributed to high mobile penetration of 167 percent in 2015 (source: FICORA). Despite high penetration, the number of mobile subscribers is expected to grow steadily as Finns continue to connect more devices to the Internet via mobile broadband connections (source: Company estimates). Increasing use of OTT services as well as increasing smartphone and 4G penetration contribute to demand for faster mobile data connections with higher monthly fees, offering an opportunity for ARPU growth upside for the mobile operators.

Fixed broadband penetration in Finland is relatively low at 57 percent of nationwide households at the end of 2015 (source: FICORA). A clear trend exists where xDSL subscribers migrate to considerably faster cable and Ethernet based broadband subscriptions or replace an xDSL subscription with 4G mobile data connection. The fixed broadband sector is expected to benefit significantly if Finnish mobile operators at some point in the future discontinued offering unlimited mobile data tariffs. Fixed voice services in Finland are not actively used anymore as only 9 percent of Finnish households subscribed to fixed voice service at the end of 2015, and the rate has been declining rapidly (source: FICORA). Pursuant to the Finnish Limited Liability Housing Companies Act (1599/2009) and established practice concerning collective decision-making procedure in a housing association, housing associations may by the majority decision of the tenants only acquire fixed broadband subscriptions and cable TV subscriptions containing free-to-air channels but not pay TV packages.

2 Report defines competitiviness as the set of institutions, policies and factors that determine the level of productivity of an economy, which in turn sets the level of prosperity that the country can achieve.

The pay TV market in Finland is characterized by the TV services providers such as DNA, Elisa and Telia Company contracting with housing associations for a fixed term (varying typically from 24 to 36 months) to provide a basic cable TV package to all apartments managed by the housing association. The basic cable TV package is provided for an affordable fixed fee, which is collected by the housing association from each individual apartment as part of the monthly service charge. As a result, all tenants become captive subscribers of the basic cable TV provider and can be upsold into premium content packages in exchange for a direct separate monthly fee.

Unlike most other markets in the EU-15, the Finnish telecommunications market has thus far seen little bundling of telecommunications services. Bundling all telecommunication services—mobile voice and broadband, fixed broadband, pay-TV—under one contract represents an opportunity for providing improved customer experience, higher customer retention and higher ARPU per household.

Finnish Mobile Market

Introduction

The Finnish mobile telecommunications market revenue amounted to EUR 1.85 billion in 2015 (source: FICORA). Total market revenue has declined on average 2.1 percent per year between 2009 and 2015, primarily attributable to cuts in MTRs. Retail market returned to growth in 2014 with growth rate accelerating to 4.0 percent in 2015 (source: FICORA).

Mobile network revenue in Finland, 2009–2015

Source: FICORA

The number of mobile network subscriptions reached 9.5 million at the end of 2015 and it has increased at an average annual rate of 5.8 percent between 2007 and 2015 (source: FICORA).

Number of mobile subscriptions in Finland, 2007–2015

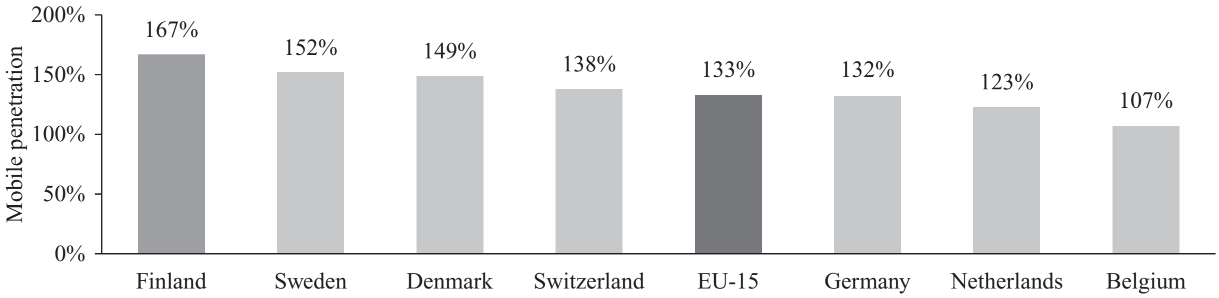
Source: FICORA

The Finnish market has a high mobile penetration[3] of 167 percent, significantly above the EU-15 average penetration of 133 percent as of 2015 (source: IDC). The number of mobile subscribers is greater than the population due to users having multiple connected devices, such as SIM connected tablets, dedicated mobile broadband dongles and data cards, which are highly popular in Finland due to unlimited mobile data tariffs. The Finnish market enjoys a very high data take-up, with mobile broadband population

[3] Number of mobile subscriptions divided by total population

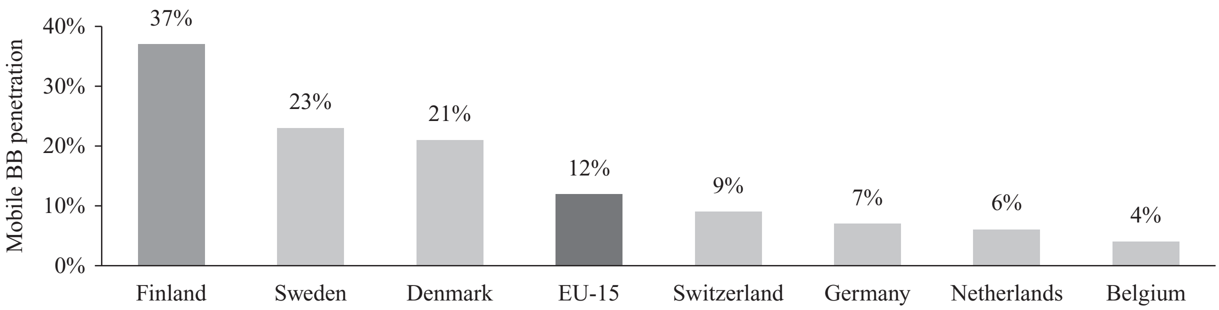
penetration[4] of 37 percent, compared to an average penetration of 12 percent in EU-15 countries at the end of 2015 (source: IDC).

Comparison of mobile penetration in selected EU countries, Switzerland and EU-15 countries, % of population 2015



Source: IDC

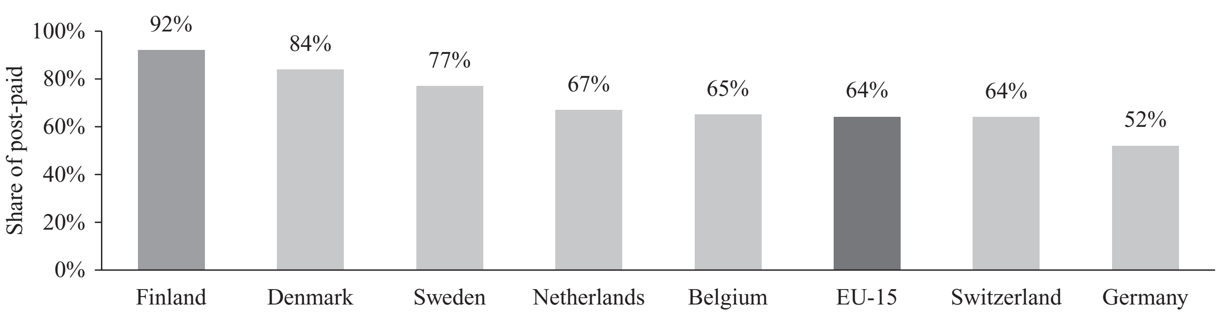
Comparison of mobile broadband penetration in selected EU countries, Switzerland and EU-15 countries, % of population 2015



Source: IDC

One of the factors behind the stability of the Finnish mobile market is the large proportion of postpaid subscriptions, which constituted approximately 92 percent of all Finnish mobile subscriptions as at December 31, 2015 the highest rate of postpaid subscriptions in Europe (source: FICORA) and notably higher than the EU-15 average of 64 percent. High share of postpaid subscriptions contributes to low churn and high revenue predictability.

Comparison of share of post-paid subscriptions, 2015[(1)]



Source: FICORA (Finland), WCIS (other countries)

(1) EU member states and and other European countries advanced in ITC, excluding Luxembourg.

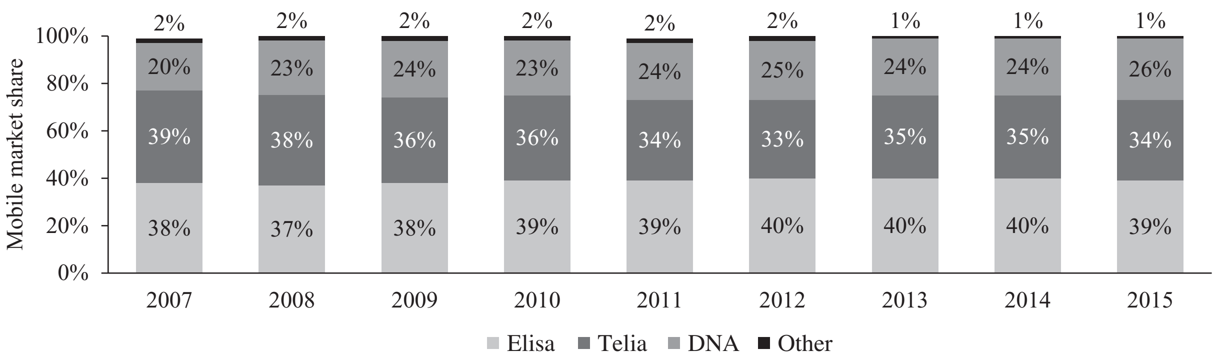
4 Defined as portable broadband devices (table, laptop/PC embedded, dongles & mifi devices) divided by total population

Competitive environment

There are three MNOs in the Finnish mobile market providing nationwide coverage: Elisa, Telia Company and DNA. All of them own GSM (Global System for Mobile Communications), UMTS (Universal Mobile Telecommunications System) and LTE (Long Term Evolution) networks in mainland Finland. In addition, Ålands Telekommunikation Ab, the fourth MNO in Finland, provides mobile network services in Aland, an autonomous region of Finland, contributing 0.5 percent of Finland's population at the end of 2015 (source: Statistics Finland). The only main active MVNO in Finland is Moi Mobiili Oy and there have also been MVNOs that have exited Finland market over through bankruptcy or M&A the last few years.

The combined market share of the three leading MNOs in the mobile communications services market was approximately 99 percent at the end of 2015 measured by the number of subscriptions (source: FICORA). Elisa holds the leading position with 39 percent share followed by Telia Company with 34 percent and DNA with 26 percent share. DNA has increased its subscriber market share by approximately 6 percentage points since the end of 2007, primarily at the expense of Telia Company (source: FICORA). The presence of MVNOs and service operators in Finland is marginal (1 percent market share at the end of 2015, source: FICORA).

Mobile market shares in Finland, 2007–2015

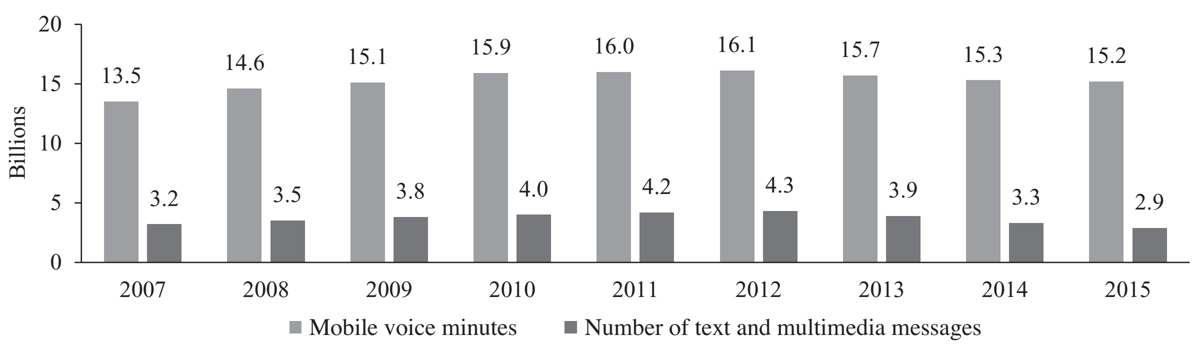


Source: FICORA

Mobile Voice, Messaging and Data

Over 95 percent of voice minutes[5] in Finland was over mobile network in 2015, while in 2007 the corresponding share was only 77 percent (source: FICORA). Mobile voice traffic and SMS messaging have been increasing until 2012, but both have been in decline since. The mobile services market has witnessed the emergence of various IP based (offered via an internet connection) OTT communication services, such as Skype, WhatsApp, Facebook and Twitter have gradually been substituting traditional voice and messaging services carried over circuit-switch networks.

Development of mobile voice minutes and number of text and multimedia messages in Finland, 2007–2015

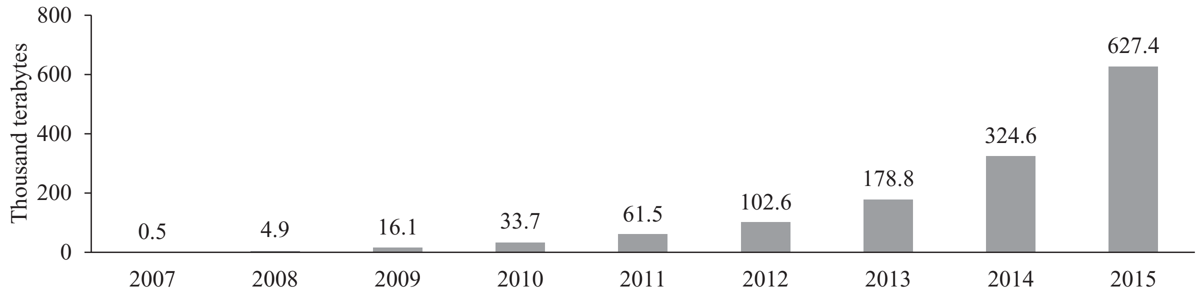


Source: FICORA

5 Voice minutes in mobile network and fixed network.

Exponential growth of mobile data has been the most important industry trend in recent years. Mobile data traffic has been driven not only by the emergence of OTT services, but also by the migration of TV and music services to mobile devices, expansion of the 4G LTE networks, and growing number of smartphones, tablets and other smart internet-connected devices. The amount of data transferred in 2015 was approximately 627,000 terabytes, nearly 1,200 times the level in 2007 (source: FICORA).

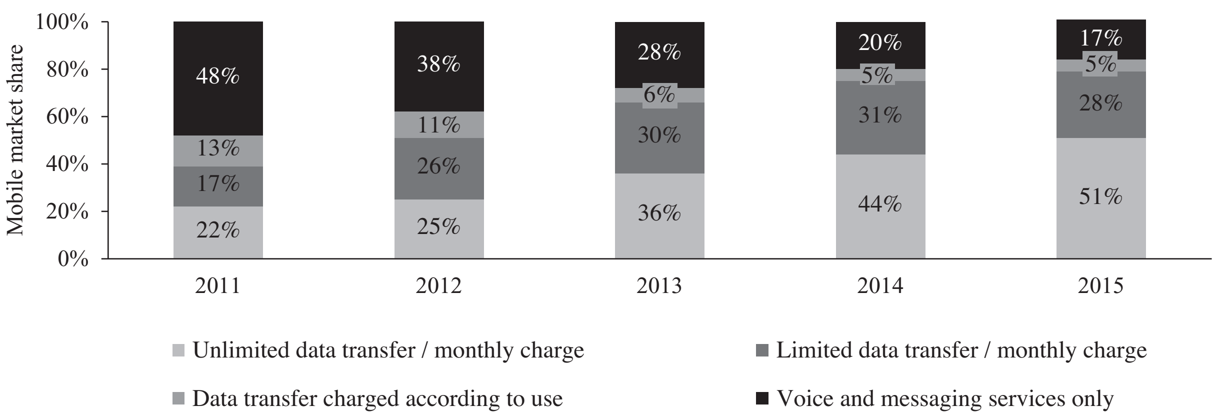
Development of mobile data transmission volume in Finland, 2007–2015



Source: FICORA

High data consumption in Finland is supported by high share of unlimited data transfer packages, representing over 51 percent of all mobile subscriptions at the end of 2015 (source: FICORA). Conversely, mobile subscriptions with no data transfer agreements have been in a continuous decline since 2011 and represented only 17 percent of all mobile subscriptions at the end of 2015 (source: FICORA). Prices of unlimited data transfer packages are mainly determined by data connection speed and at the end of 2015, over 70 percent of unlimited data transfer packages included a data connection speed of 10 Mbps or faster (source: FICORA). As subscribers continue to increase their data usage and use increasingly more data-intensive services, operators in Finland may promote faster data connections with higher monthly tariffs to their existing subscribers.

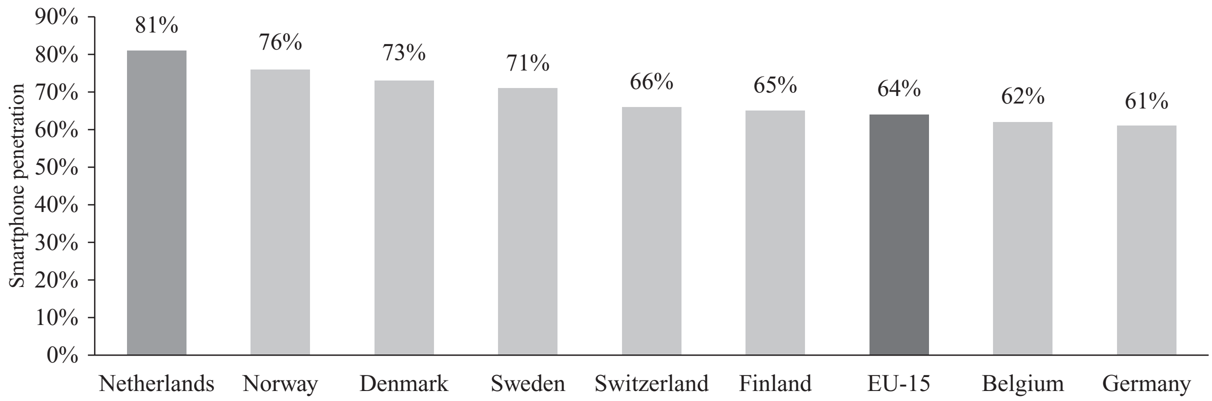
Share of mobile subscription data transfer types in Finland, 2011–2015



Source: FICORA

Smartphone penetration in Finland was 65 percent at the end of 2015 and it has grown rapidly from 41 percent in 2012 (source: WCIS). In addition, almost 90 percent of all mobile phones sold in Finland from January 1, 2016 to May 31, 2016 were smartphones and 81 percent of those were 4G LTE enabled (source: GFK Benchmark report May 2016). Smartphone penetration[6] in Finland is close to the EU-15 average of 63 percent in 2015 but behind other Nordic countries, such as Norway (76 percent), Denmark (73 percent) and Sweden (71 percent).[7]

Comparison of smartphone penetration in selected EU countries, Switzerland and EU-15 countries, 2015

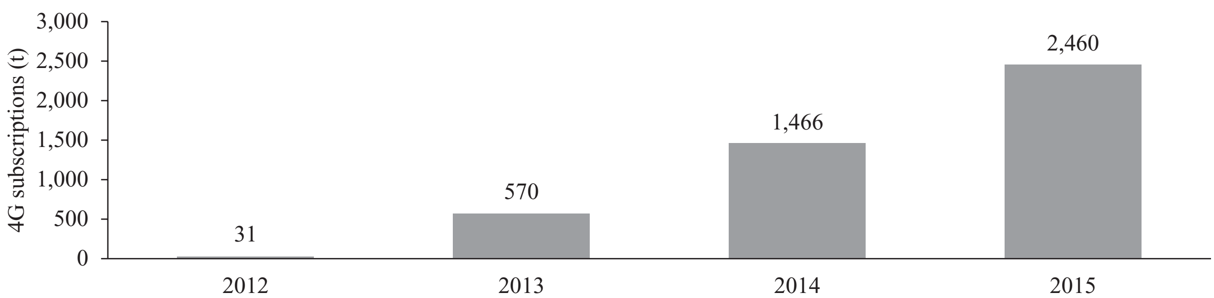


Source: WCIS

EU-15 does not include Luxembourg

Along with the increase of smartphone penetration, the number of 4G subscriptions with faster data connection speeds has more than quadrupled since 2013. The growing popularity of 4G subscriptions has further supported the increasing data consumption.

4G subscription development in Finland(1)



Source: FICORA, WCIS

(1) Calculated based on share of 4G subscriptions from WCIS and total number of subscriptions from FICORA

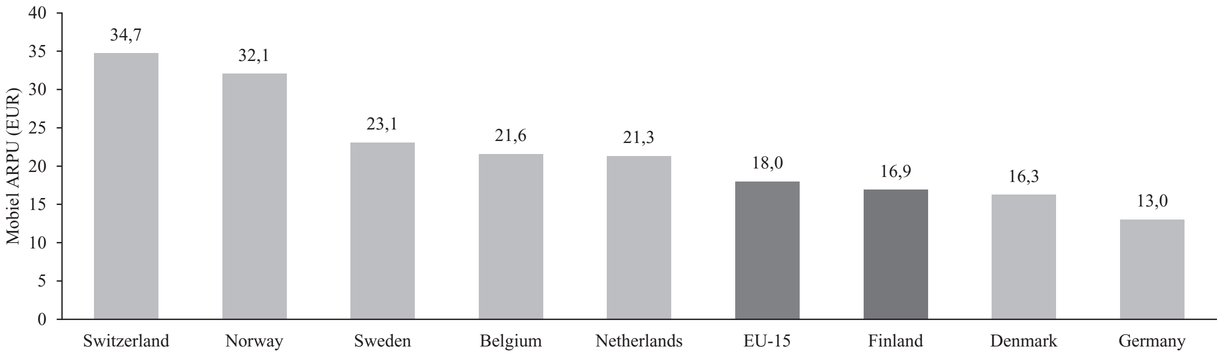
The Finnish mobile market has a lower ARPU than the rest of the EU-15 countries on average, and one of the lowest price per MB in the world. Average monthly postpaid mobile ARPU[8] in 2015 was EUR 16.9, (source: DNA, Elisa, Telia Company) compared to EUR 18.0 in EU-15 on average in 2015 (source: WCIS and IDC).

6 The share of smartphone subscriptions from all subscriptions.

7 Iceland is not included in the comparison.

8 Weighted average mobile postpaid ARPU as reported by DNA (postpaid mobile handset subscriptions), Elisa (postpaid mobile handset and mobile broadband subscriptions) and Telia Company (postpaid mobile handset and mobile broadband subscriptions).

Comparison of mobile postpaid ARPU in selected EU countries, Switzerland and EU-15 countries, 2015(1)

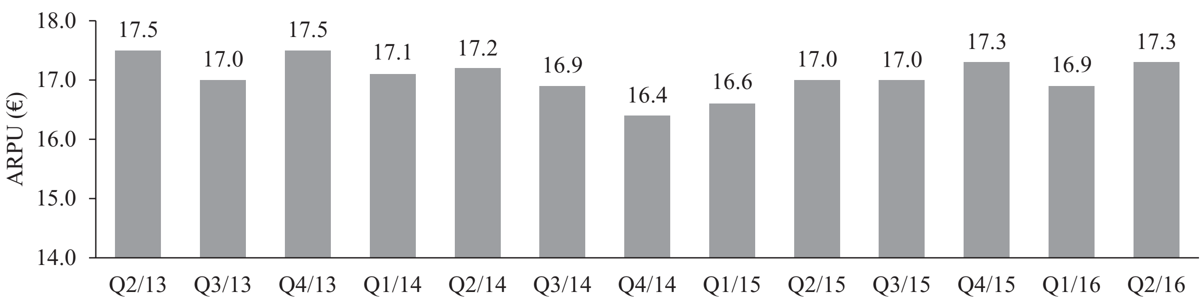


Source: DNA, Elisa, Telia Company (Finland), WCIS (other countries).

(1) EU-15 countries excluding Luxembourg.

Mobile postpaid ARPU in Finland has mainly decreased from the second quarter of 2013 until the end of 2014, decling from EUR 17.8 to EUR 16.5. The decline was primarily due to MTRs, which decreased by 33 percent from 2.80 eurocents for the period December 31, 2013 to 1.87 eurocents for the period December 31, 2014. The MTRs further decreased at the end of 2015, which contributed to the decrease in mobile postpaid ARPU during the first quarter of 2016. (source: FICORA). Since Q1 2015, the average market ARPUs in Finland have stabilized and shown positive trends on the back of, among other things, price increases on unlimited data packages, notably driven by the introduction of 4G.

Market mobile postpaid ARPU development in Finland, Q2/13–Q2/16(1)

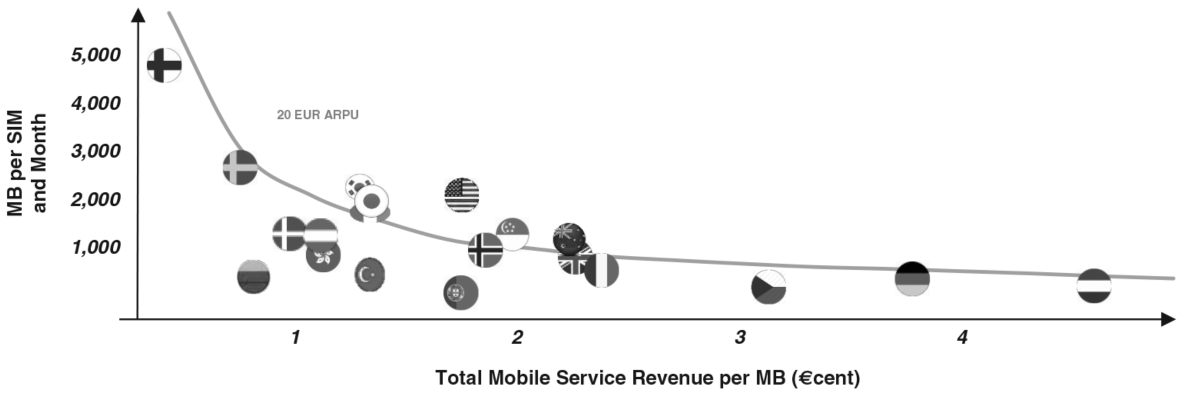


Source: DNA, Elisa, Telia Company

(1) Weighted average mobile postpaid ARPU as reported by DNA (postpaid handset subscriptions), Elisa (postpaid handset and mobile broadband subscriptions) and Telia Company (postpaid handset and mobile broadband subscriptions).

As a result of the relatively low mobile ARPU combined with the highest data consumption in the world, Finland has one the lowest total mobile service revenue per MB in in the world, for example approximately 15 times lower than in the Netherlands (source: Tefficient).

Comparison of mobile data usage and price per megabyte globally, 2015



Source: Tefficient

Spectrum and Licenses

Mobile telecommunications providers must obtain a license for their operations and the use of certain radio frequencies. The three MNOs in Finland have comparable spectrum positions in both high and low frequencies. However, as DNA has less subscribers than Elisa and Telia Company, DNA has a strong position with the availability of 109.9Hz of spectrum per subscriber[9], while the corresponding metrics for Elisa and Telia Company are 74.6 Hz and 91.9 Hz, respectively. In addition, the Finnish MNOs own significantly higher amount of spectrum per subscriber than international peers such as Vodafone and Telefonica Deutschland (13.2 Hz in the United Kingdom and 11.0 Hz in Germany, respectively) (source: publicly available company materials of Vodafone and Telefonica Deutschland).[10]

DNA's strong spectrum position supports leading average mobile broadband speeds[11] in the four largest cities in Finland and in three others of the ten largest cities in Finland. DNA's average downlink speed in the ten largest cities in Finland during Q3 2016 was 43.2 Mbits/s compared to 41.9 Mbits/s and 40.6 Mbits/s for Elisa and Telia Company respectively. DNA's average uplink speed was 26.9 Mbits/s compared to 17.7 Mbits/s for Elisa and 23.3 Mbits/s for Telia Company (source: Omnitele Ltd).

		Frequency spectrum (MHz)			Expiry		
Frequency band	**Technology**	**DNA**	**Elisa**	**Telia**	**DNA**	**Elisa**	**Telia**
800 MHz	LTE	2 × 10.0	2 × 10.0	2 × 10.0	12/2033	12/2033	12/2033
900 MHz	GSM, UTRA FDD	2 × 11.6	2 × 11.4	2 × 11.4	12/2019	11/2017	11/2017
Total sub 1-GHz		**43.2**	**42.8**	**42.8**			
1,800 MHz	GSM, UTRA FDD, LTE	2 × 24.8	2 × 24.8	2 × 24.8	3/2019	11/2017	11/2017
2,100 MHz	UTRA FDD	2 × 19.8	2 × 19.8	2 × 19.8	3/2019	3/2019	3/2019
2,600 MHz	LTE	2 × 20.0	2 × 25.0	2 × 25.0	12/2029	12/2029	12/2029
Total above 1GHz		**140.2**	**139.2**	**139.2**			
Total		**172.4**	**182.0**	**182.0**			
% of total		*32%*	*34%*	*34%*			
Hz per sub(1)		*109.9*	*74.6*	*91.9*			

Source: FICORA

(1) Calculated based on operator's respective spectrum divided by number of total mobile subscriptions of the respective operators, multiplied by mobile penetration in the respective countries as of Q4/2015

Note: Spectrum excluding Alcom and Ukkoverkot. Does not include unpaired 1,900 MHz spectrum

The latest spectrum auction took place in 2013, when FICORA held an auction of 800 MHz frequency band to be used for high-speed 4G LTE connections. Each of the existing MNOs won 2x10 MHz spectrum in the auction paying in total EUR 108 million (DNA, Elisa and Telia Company paid EUR 33.5 million, EUR 33.3 million and EUR 41.1 million, respectively). The licenses will be paid over a five year period.

9 Calculated based on operator's respective spectrum divided by number of total mobile subscriptions of the respective operators, multiplied by mobile penetration in the respective countries as of Q4/2015

10 Calculated based on operator's respective spectrum divided by number of total mobile subscriptions of the respective operators, multiplied by mobile penetration in the respective countries as of Q4/2015.

11 Measured by total of uplink and downlink speeds

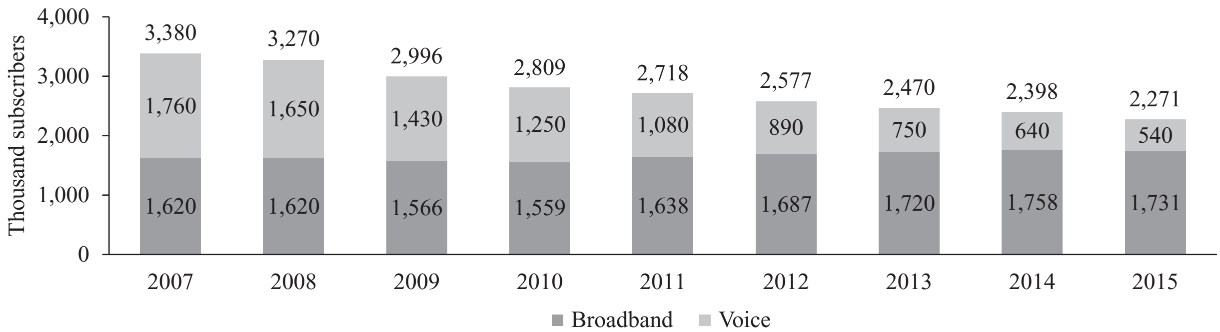
The licenses were awarded for a fixed period of 20 years with certain coverage obligations, which all the operators have already met considerably ahead of respective deadlines given rapid 4G rollout carried out over the last couple of years. The Finnish Ministry of Transport and Communications has decided to auction the operating licenses for commercial use of the 700 MHz frequency bands with the auction taking place from November 24, 2016. The 700 MHz frequency band has been allocated from television broadcasting to 4G use as of February 1, 2017, and it can be cost-effectively used to provide additional data transmission capacity in the 4G networks.

Finnish Fixed Market

Introduction

The Finnish fixed telecommunications market revenue amounted to approximately EUR 1.2 billion in 2015 (source: FICORA). According to market estimates, fixed broadband services constitute 81 percent of end-user spending while fixed voice services account for 19 percent (source: Gartner LINE (Marketvisio), Suomen Tietoliikennemarkkinat, Tammikuun 2016 katsaus).

Development of number of fixed broadband and voice subscriptions, 2007–2015



Source: FICORA

Elisa, Telia Company and companies in the Finnet Association have historically dominated the fixed market. Finnet Association consists of 23 regional member companies with total revenues of approximately EUR 350 million in 2015 (source: Finnet). The largest member company was Anvia Plc with revenues of approximately EUR 130 million in 2015[12]. DNA emerged as a competitor following an acquisition of several regional fixed line operations of operators belonging to the Finnet Association in 2007 and Welho cable TV business in 2010. Unlike many European countries, the Finnish market has no dominant cable or significant alternative network operators. In addition, local operators in the Finnet Association are significantly smaller than Elisa, Telia Company and DNA, with no mobile offerings.

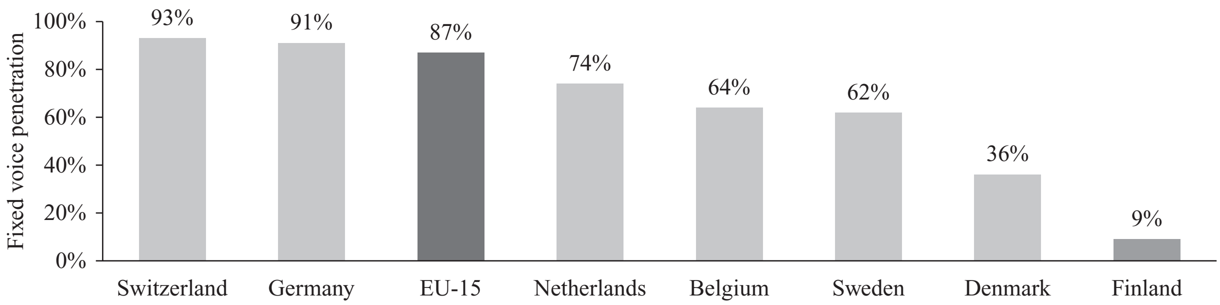
Fixed Voice

In recent years, the number of fixed voice subscriptions has decreased steadily. At the end of 2015, there were 540,000 fixed voice subscriptions declining 16 percent compared to 2014 (source: FICORA). Out of theses subscriptions, 55 percent were used by corporate and 45 percent by consumer subscribers (source: FICORA). Consumer subscribers are cancelling their fixed voice subscriptions at a faster pace than corporate subscribers. Due to the advanced fixed-to-mobile substitution, Finland has one of the lowest fixed voice penetrations in Europe, with household penetration of 9 percent at the end of 2015, compared to 87 percent in EU-15[13] (source: FICORA, IDC).

[12] Anvial Plc's telecom, IT and hosting and TV operations were acquired by Elisa in July 2016.

[13] Excluding Luxembourg.

Comparison of fixed voice household penetration(1), 2015



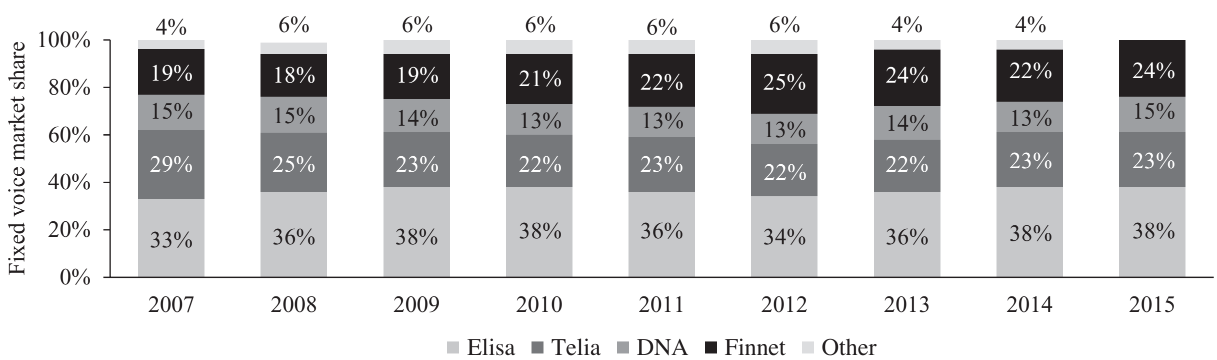
Source: IDC (other countries), FICORA (Finland)

(1) EU-15 does not include Luxembourg

The decline in the number of fixed voice subscriptions and calls as well as the general increase in costs have led telecom operators to significantly increase fixed voice prices for customers, which has in turn accelerated the termination of subscriptions. The price of fixed voice services has increased at an average annual rate of 13 percent from 2008 to 2015 and fixed voice call minutes have declined at an average annual rate of 19 percent during the same period (source: FICORA).

The largest fixed voice service operators are Elisa, Telia Company and DNA, each of which owns a regional fixed network. At the end of 2015, Elisa was the market leader with 38 percent share, followed by Telia with 23 percent, DNA 15 percent and Finnet association members with combined 24 percent share (source: FICORA). Of the three main players, DNA is the least exposed to the fixed voice market as its contribution to DNA's revenues is only approximately 4 percent.

Fixed line voice market shares, 2007–2015



Source: FICORA

Finnish fixed line voice services are predominantly provided through Public Switched Telephone Network (**PSTN**) copper lines. VoIP subscriptions still represent a marginal phenomenon in Finland, and are significantly more common for instance in other Nordic countries, which can partly be explained by differing approach to commercialization of fixed voice services, because subscription packages compiled of fixed network services are much more common elsewhere in Europe.

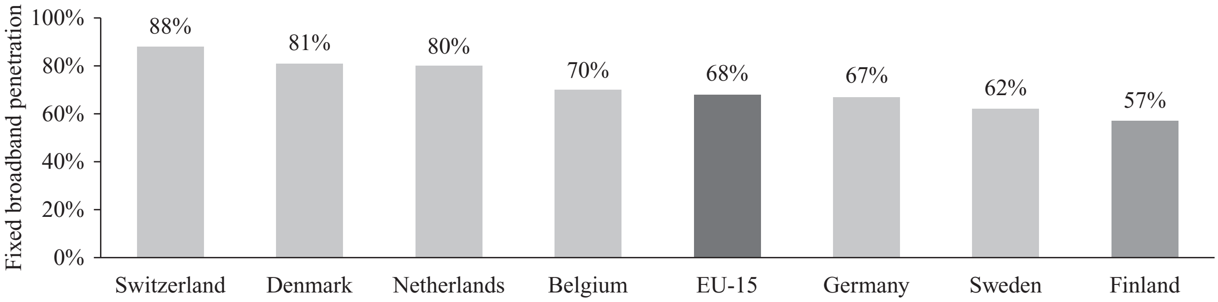
Fixed Broadband

Fixed broadband penetration in Finland was 57 percent at the end of 2015, which is lower than the EU-15 average penetration of 68 percent[14] (source: FICORA, IDC). Lower fixed broadband penetration is partly driven by high penetration of mobile broadband connection as well as unlimited data tariffs on mobile connections, and as a result approximately 28 percent of households have only a mobile connection (source: FICORA). Some of the households that currently have only a mobile broadband connection may require also fixed broadband connection in the future in case demand for superfast broadband connections increases for instance as a result of proliferation of more advanced services requiring faster broadband

[14] Excluding Luxembourg.

connections and in case unlimited mobile data tariffs are discontinued by mobile operators. Fixed broadband ARPU in Finland was EUR 26 in 2015.

Comparison of fixed broadband household penetration(1), 2015



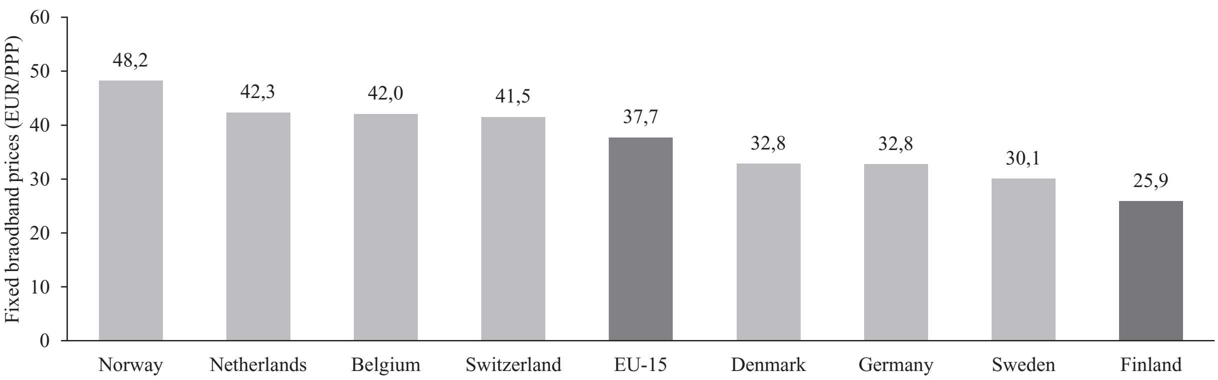
Source: FICORA (Finland), IDC (other countries)

(1) EU-15 does not include Luxembourg

The prices of fixed broadband subscriptions are also relatively low in Finland as compared to other European countries.

According to a survey conducted by the European Commission in 2014, the median retail price[15] adjusted with purchasing power for new fixed broadband subscriptions was EUR 25.9 in Finland, while the EU-15 average was EUR 37.7 (source: European Commission—Broadband Internet Access Cost (BIAC 2015)).

Comparison of prices for new retail fixed broadband subscriptions in selected EU countries, Switzerland and EU-15 countries, adjusted with purchasing power parity, 2014



Source: European Commission—Broadband Internet Access Cost (BIAC 2015).

(1) Including cost for line rental.

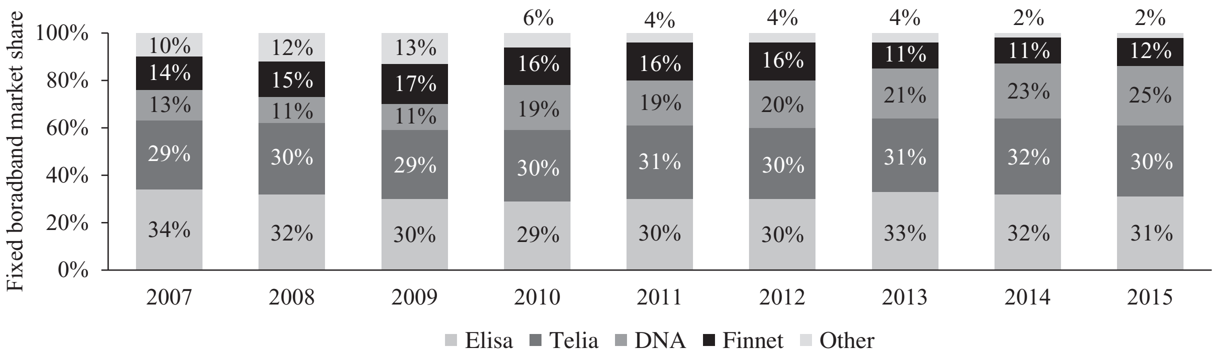
There were a total of 1.73 million fixed broadband subscriptions in Finland at the end of 2015, a two percent decline compared to the previous year. The number of subscriptions has remained fairly stable. The number of subscriptions decreased from 2007 to 2009 and grew steadily from 2009 to 2014, growing at an average annual rate of 0.8 percent. At the end of 2015, consumers represented 86 percent of the subscriptions while 14 percent belonged to corporate customers (source: FICORA).

The fixed broadband market is dominated by three operators: DNA, Elisa and Telia. Elisa and Telia have roughly equal subscriber market shares of 31 percent and 30 percent, respectively, while DNA holds 25 percent of the fixed broadband market at the end 2015 (source: FICORA). The remaining 14 percent of the market is divided among smaller regional operators, mainly members of the Finnet Association. DNA's market share increased from 11 percent to 19 percent in 2010 when the company acquired Welho operations from Sanoma Entertainment Oy, after which DNA has increased its market share steadily. During the last two years DNA's market share has grown from 21 percent to 25 percent accelerated by the acquisition of TDC in 2014. DNA has the largest hybrid-fixed-coaxial network footprint in the market while other operators rely mainly on other technologies in providing fixed broadband services to customers

15 Including cost for line rental.

(see "—*Fixed broadband subscriptions by technology*"), (source: DNA, FICORA), which would support DNA's competitive position in case demand for fast fixed broadband connections continue to grow, as competitors would be required to make significant investments in their cable networks to achieve a similar position or other technologies that are able to provide corresponding speeds.

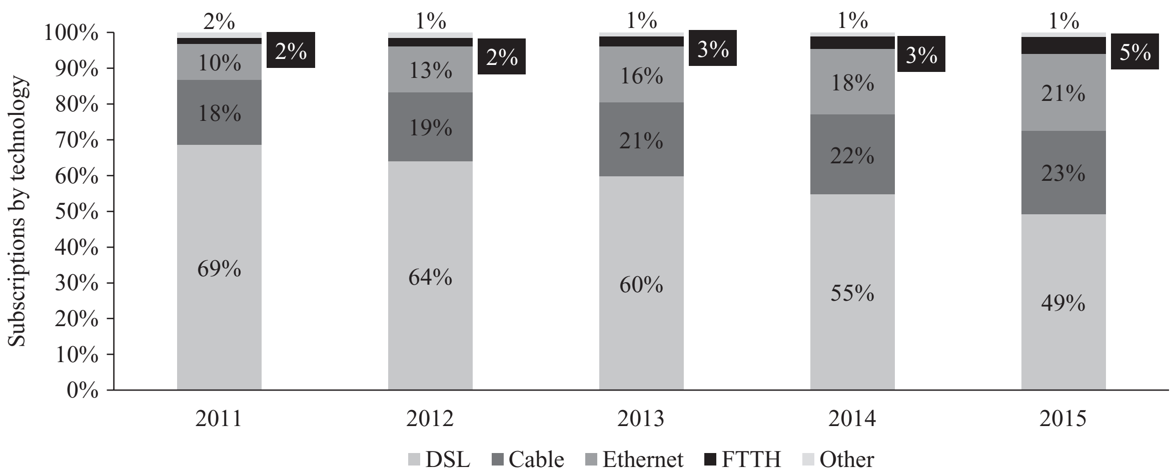
Fixed broadband market shares, 2007–2015



Source: FICORA

Fixed broadband subscription technologies have become more advanced in recent years. Since 2011, the number of DSL subscriptions has declined at annual average rate of 6.7 percent, while the number of cable subscriptions has increased on average 8.1 percent annually and the number of Ethernet subscriptions on average 22.2 percent annually. 88 percent of DNA's consumer customers are on its cable network. Finland's fixed broadband subscriptions are overall less advanced than in other Nordic countries, as DSL connections still represent majority of the subscriptions while higher speed fiber and cable subscriptions are more common elsewhere.

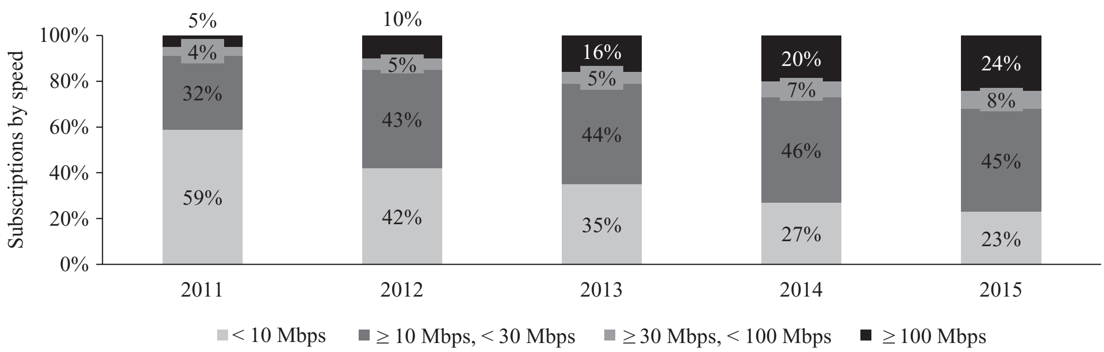
Fixed broadband subscriptions by technology, 2011–2015



Source: FICORA

Although the number of fixed broadband subscriptions has remained largely unchanged during the past two years, operators have been selling subscriptions with faster data connections to customers. The share of subscriptions with download speed of at least 100 Mbps has seen the largest increase from 16 percent in 2013 to 24 percent in 2015 while the share of subscriptions with download speeds of less than 10 Mbps has declined the most. The share of subscriptions with download speed of 100 Mbps or more is significantly higher in Finland compared with the EU-15[16] average of 15 percent as of July 2015 (source: European Commission, E-Communications and the Digital Single Market May 2016). During 2015, the number of subscriptions with download speed of more than 100 Mbps increased by more than 60,000 subscriptions while subscriptions with the speeds between 2–10 Mbps decreased roughly by the same amount (source: FICORA). As at December 31, 2015 only 33 percent of DNA's fixed broadband subscriptions had download speeds of 100 Mbps or more, while 13 percent had download speeds of 11 to 99 Mbps and 54 percent had download speeds of 10 Mbps or less (25 percent, 18 percent and 57 percent as at December 31, 2013, respectively).

Fixed broadband subscriptions by speed, 2011–2015



Source: FICORA

Finnish Pay-TV and Video Services Market

Finland's market for digital media and TV is among the most advanced in Europe. The country was one of the first to fully switch from analogue to digital transmission in 2007, for terrestrial network in 2007 and cable TV network in 2008. Digital terrestrial TV has been operating since mid-2001. About 95 percent of households in Finland had access to TV services in 2015 (source: IHS) and TV viewing is at an all-time high with an average viewing time per individual of over 180 minutes per day in 2015, up from 172 minutes per day in 2011 (source: Finnpanel).

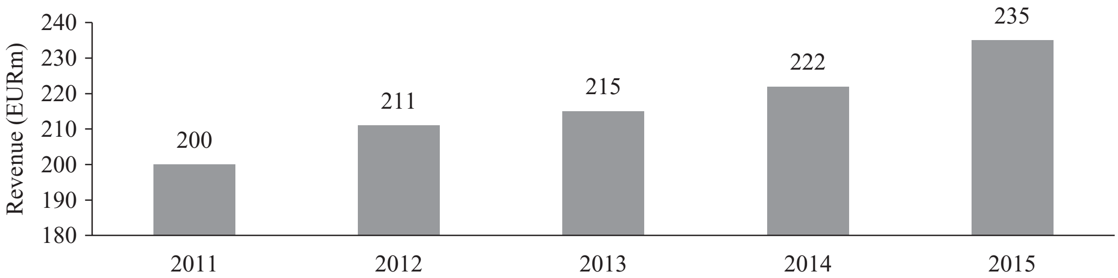
In addition to 15 free-to-air channels, TV households in Finland are increasingly paying for TV access. Approximately 50 to 60 percent of all households pay a low basic fee for access to TV services (directly or indirectly) through cable or IPTV providers. Approximately 35 percent of households subscribe to paid TV content including OTT TV content while approximately 20–25 percent subscribe to only broadcast pay TV services.(source: Company estimates). The size of the Finnish pay-TV market[17] is estimated to have grown on average 4.1 percent per year between 2012 and 2016 with revenue estimated at EUR 235 million in 2016 (source: Valor[18]). Average daily commercial channels viewing time has increased from 89 minutes in 2011 to 92 minutes in 2015 (source: Finnpanel).

16 Excluding Greece.

17 Linear pay-tv and ott pay-tv

18 Analysis by Valor based on reporting of Finnpanel and TNS Gallup.

Finnish pay TV market revenue estimate, 2012E–2016E



Source: Valor, analysis based on company reporting; Finnpanel, TNS Gallup

The Finnish TV market consists, principally, of the following distribution techniques:

- Digital terrestrial broadcast network (DTT), providing free-to-air as well as pay-TV content to approximately 35–40 percent of Finnish households;
- Digital cable TV network, distributing pay-TV content to a growing number of housing associations as well as individual households in Finland providing TV services to approximately 60 percent of households;
- Digital satellite-based TV (DTH), a niche offering of premium pay-TV services to a limited number (less than three percent) of households;
- IPTV, providing pay TV services offered by telecom operators to approximately 15 percent of households through broadband subscriptions, through which it is possible to view the same real-time programming as through or together with cable or terrestrial television; and
- OTT services, providing both free and paid content trough internet connection to approximately 55 percent of households.

Finnish households primarily use DTT and cable networks to get access to TV content. IPTV has been growing in popularity, but growth has slown, with fewer than 15 percent of households using it in 2015 (source: FICORA). The number of cable TV subscriptions was approximately 1.6 million households in 2015, growing at an average annual rate of 2.6 percent from 2011 to 2015 (source: FICORA). Over the same period, the number of IPTV subscriptions has almost doubled to reach approximately 380 thousand households in 2015, but the growth has significantly decelerated and in 2015, the growth was 27 thousand subscriptions (source: FICORA). The number of DTH subscriptions has remained stable and the service continues to have a relatively small market share of less than 5 percent of TV households.

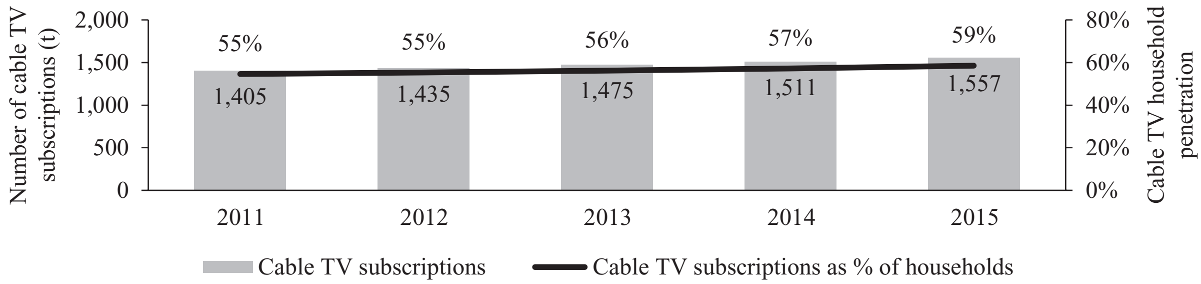
A single household may simultaneously be using several different television reception methods. An IPTV subscription, in particular, is typically used as a supplementary service purchased in conjunction with a broadband subscription.

Cable TV

Cable TV continues to grow and has remained the largest reception method for pay-TV in Finland, providing access to TV content for approximately 60 percent of the households. The number of cable TV subscriptions has increased at an average annual rate of 2.6 percent from 2011 to 2015 (source: FICORA) and the television operations market revenue[19] reached EUR 360 million in 2015, increasing by 3 percent as compared to 2014 (source: FICORA).

[19] Includes radio operations which are assumed to be negligible

Cable TV subscriptions and household penetration, 2011–2015



Source: FICORA, Statistics Finland

Finland's cable-TV market is largely characterized by services provided to housing associations, which typically sign a contract with cable TV providers in (and often housing association fixed broadband). While cable TV providers initially have only indirect relationship with the end users through the housing association, they are able to up-sell pay-TV and high-speed broadband services to the tenants and establish direct customer relationships with them.

The cable TV market benefits from a stable competitive environment, with DNA being the market leader with 38.9 percent subscribers, followed by Telia Company (31.2 percent) and Elisa (21.2 percent), and a group of marginal smaller local players with a combined 8.7 percent market share as at December 31, 2015 (40.1 percent, 29.6 percent, 21.2 percent and 9.2 percent, respectively as at December 31, 2013) (source: Ampere).

DTT TV

Terrestrial broadcast remains one of the key reception methods for the TV content in Finland, covering over 99.9 percent of nationwide population (source: FICORA) and providing 15 free channels. PlusTV remains the only DTT pay-TV platform, established in 2006 and subsequently acquired by DNA in 2013. Services are available to approximately 85 percent of Finnish population (source: Company estimates).

IPTV and OTT

IPTV requires broadband connection to provide the TV service, and is used by subscribers as an alternative or in addition to DTT and Cable TV and is often bundled with operator's fixed broadband subscription. Significant growth of the IPTV customer base has been driven by expanding access to high-speed broadband, with more than 1.3 million households in Finland having access to fixed broadband connections of 10 Mbps or faster. Over 380 thousand subscribers have used IPTV services in 2015 (source: FICORA).

OTT services provide both free and paid content trough internet connection to approximately 55 percent of households (source: Company estimates). The most popular OTT services include Netflix and Yle Areena.

Corporate market

The corporate market consists of telecommunication, communications and corporate network services as well as corporate network value-added services, IT services, IT software and devices markets that are offered to municipalities and government organizations, large corporations as well as small and medium sized companies. Corporate telecommunications market is estimated at EUR 1.2 billion (source: Company based on IDC and Gartner Marketvisio data) including both mobile and fixed voice services, mobile and fixed data services and corporate network services. The market for value-added network services relevant to DNA, such as customer network administration, hosting, LAN and data security services, is estimated at EUR 200-300 million (source: Company based on IDC and Gartner Marketvisio data). IT services and devices market represents the majority of the total market and is estimated at EUR 6.2 billion (source: Gartner) including IT services, software and devices (estimated at EUR 3.4 billion, EUR 1.5 billion, EUR 1.4 billion respectively (source: Company estimates)).

The three full telecommunications service providers—DNA, Elisa and Telia Company—offer comprehensive telecommunication and network services (including value added services) solutions to corporate customers. Other telecom operators, such as the Finnet association member companies and

AinaCom have limited telecommunication service offerings focused mostly in fixed voice and data. Focused IT services companies such as Tieto, Fujitsu and CGI are purely focused on value-added network services and IT services and devices market. Elisa and Telia Company also compete against IT service companies especially in devices market but also in other areas. DNA does not have significant overlapping operations with IT service companies. Corporate customers are increasingly looking to purchase their telecommunication or IT services from a single telecommunication and single IT provider but total outsourcing of both services to a single vendor is not a trend in the market.

The use of ICT services by corporations has changed among corporate customers, as work is increasingly becoming more mobile, networked and flexible. Versatile ways of working are reflected in companies' new demand for network solutions and data communication services with growing importance of mobile data. Companies are also increasingly adopting cloud services to increase their operational efficiency which emphasizes the significance of secured fast connections. Cloud use has grown rapidly during the past five years, and today majority of companies use at least four different cloud services (source: Valor, Suomen teletoimiala 2015). Forecasts indicate that in a few years, companies will use dozens of different cloud services for different purposes (source: Valor, Suomen teletoimiala 2015).

Industrial Internet and IoT have emerged strongly in recent years as future opportunities for the telecom industry and they will increase the amount of mobile subscriptions volumes even further. IoT and M2M (machine-to-machine) services are continuously gaining more ground, both among companies and consumers, and the Company expects the growth to continue in the future. Telecom operators are in a natural position in the value chain to offer these services and related solutions.

BUSINESS

This section contains statistics, data and other information relating to markets, market sizes, market shares and market positions and other industry data pertaining to DNA's business and markets. Unless otherwise indicated, such information is based on DNA's analysis of multiple sources and information otherwise obtained. See "Certain Matters—Market and Industry Information." For definitions of certain terms used in the following discussion, see "Glossary."

The following discussion includes forward-looking statements that reflect the current view of DNA's management and involve inherent risks and uncertainties. DNA's actual results of operations or financial condition could differ materially from those contained in such forward-looking statements as a result of factors discussed below and elsewhere in this Offering Circular, particularly in "Risk Factors." See "Certain Matters—Special Cautionary Notice Regarding Forward-Looking Statements."

Overview

DNA is one of the leading national telecommunications service providers in Finland with its own nationwide mobile and fixed network. It operates under the DNA brand and its key infrastructure assets that enable its services consist of a nationwide mobile network and a hybrid-fiber-coaxial (**HFC**) network, which is the largest in the country based on the number of households covered within its footprint.

DNA's business is divided into two segments: Consumer and Corporate. For consumer customers, DNA offers mobile handset services, mobile broadband services, fixed voice and broadband services as well as TV and video services. In addition, DNA also offers consumer customers a broad selection of handsets, tablets, dongles, set-top boxes and related accessories from leading suppliers. DNA's market share in the consumer telecommunications market was 22 percent in 2015 (source: revenues reported by DNA, Elisa, Telia Company and Finnet). For corporate customers DNA offers mobile voice, mobile data and fixed voice communication services as well as mobile broadband and fixed data networking services. DNA also offers corporate customers various value added, M2M and wholesale services as well as ability to purchase equipment relating to the above-mentioned services. DNA's market share in the corporate telecommunications market was 15 percent in 2015 (source: Gartner Marketvisio).

DNA operates in Finland in an attractive and stable market environment. The three main telecommunications services providers, DNA, Elisa and Telia Company, generated approximately 87 percent of market revenues in 2015 (source: FICORA). No new MNOs have tried to enter the market in recent years and the market share of MVNOs is very low, currently less than 1 percent. Each of the three main operators provides both mobile and fixed services, which further stabilizes the market.

In the mobile handset services market, DNA is the third largest player with a market share of 26 percent based on the number of subscriptions as at December 31, 2015 (source: FICORA). DNA was the third largest in fixed broadband with a market share of 25 percent as at June 30, 2016, and it was the largest cable TV provider with a market share of 39 percent as at December 31, 2015 (source: Ampere). As of September 30, 2016, DNA has a total of 3.8 million subscriptions, consisting of mobile subscriptions, fixed broadband subscriptions, cable TV subscriptions and fixed voice subscriptions.

DNA's single-brand strategy was launched in April 2015, fusing the previously separate brands DNA Business (corporate services brand). DNA Welho (television and fixed broadband brand) and DNA Kauppa (retail network brand). DNA has strong brand recognition with a high and historically improving brand consideration score among consumer and corporate customers. DNA's consumer brand consideration among DNA's competitors' customers increased from 36 percent for the six months ending June 30, 2014, to 41 percent for the six months ending December 31, 2015. DNA's corporate brand consideration among companies with more than 250 employees increased from 32 percent for the six months ending June 30, 2014 to 53 percent for the six months ending December 31, 2015 (source: TNS Gallup; conducted on a request of the Company). The Company also enjoys strong customer satisfaction. According to the EPSI 2016 customer satisfaction survey, DNA had a good level of customer satisfaction among both consumer and corporate customers. Further, DNA had the most satisfied corporate customers in fixed data services for a second successive year as compared to other MNOs.

DNA's 4G mobile network, one of the most advanced mobile networks in Finland, is expected to provide coverage to 99.6 percent of the population of mainland Finland by the end of 2016. Suomen Yhteisverkko Oy, DNA's joint operation with Telia Company, started constructing a joint mobile communications network in spring 2015 in Northern and Eastern Finland and the construction phase has been completed in November 2016. The network enables DNA to provide high quality mobile coverage in rural areas. DNA expects to continue investing in the maintenance and development of the network, but significantly lesser amounts than during the construction phase. DNA also has the most extensive HFC cable network in Finland based on the number of households covered within its footprint, which is fully EuroDOCSIS3.0 upgraded allowing currently at least 350 Mbps download speeds to all households within its footprint and the access to gigabit grade speeds in the Helsinki metropolitan area and Oulu.

The following table sets out certain of DNA's key financial data as at and for the nine months ended September 30, 2016 and 2015 and as at and for the years ended December 31, 2015, 2014 and 2013. The following key financial data presented herein should be read together with "*Certain Matters—Presentation of Financial Information*," "*Operating and Financial Review*", "*Selected Consolidated Financial Information*" and the consolidated financial statements included in the F-pages of this Offering Circular. Additional information in respect of the key financial and operational data is presented under "*Selected Consolidated Financial Information—Key Performance Indicators*".

	For the nine months ended September 30,		For the year ended December 31,		
	2016	2015	2015	2014 (restated)	2013 (restated)
	(Unaudited, unless otherwise stated) (EUR million)				
KEY FINANCIAL DATA					
Net sales	633.7	614.9	828.8(1)	831.5(1)	765.1(1)
EBITDA(2)	185.0	173.5	227.7(1)	202.2(1)	189.4(1)
Comparable EBITDA(2)	189.6	172.5	226.7	211.0	195.0
Operating result, EBIT	76.7	53.8	73.1(1)	25.6(1)	42.3(1)
Comparable EBIT(2)	81.3	52.7	72.0	55.7	47.9
Operating free cash flow(2)	104.7	88.7	78.7	68.1	73.3

(1) Audited.

(2) For more information, see "*Operating and Financial Review—Reconciliation of Certain Alternative Performance Measures*"

DNA's Strengths

DNA believes that the following are among its key strengths:

Attractive market with three converged operators and stable competitive dynamics

The Finnish telecom market is characterized by stable competitive dynamics as the three leading MNOs—DNA, Elisa and Telia Company—each operate also fixed broadband and pay TV businesses alongside their mobile operations, and jointly constitute approximately 90 percent of market revenues. Market stability is further exemplified by a high share of low-churning postpaid subscribers, which represented approximately 92 percent of total market subscribers at year-end 2015 (source: FICORA), and only marginal presence of MVNOs whose subscriber market share at year-end 2015 was only 0.2 percent (source: WCIS). For the three months ended March 31, 2016, June 30, 2016, and September 30, 2016, market mobile ARPU was EUR 16.9, 17.3 and 17.6, respectively, and EUR 16.9 for the year ended December 31, 2015 (source: Tefficient), which is relatively low as compared to EUR 18.0 in EU-15 on average (source: WCIS and IDC) with upside potential existing in particular as smartphone and 4G penetration levels are expected to increase going forward driving demand for faster mobile data connections characterized by high ARPU. As at year-end 2015, smartphone and 4G subscription penetration were approximately 65 percent and 26 percent, respectively (source: WCIS and IDC). Finally, only limited absolute negative impact on Finnish telecom operators' revenues is expected going forward from fixed-to-mobile voice substitution as fixed voice penetration among Finnish households at year-end 2015 was only 9 percent (source: FICORA).

High-quality mobile and fixed network infrastructure and strong spectrum position

DNA has made significant investments in 4G network rollout, which commenced in 2011, was accelerated in 2013 and is substantially completed as at the date of this Offering Circular. DNA's mobile network is expected to provide 4G coverage to 99.6 percent of the population of mainland Finland by the end of 2016. In August 2014, DNA formed network joint operation with Telia Company to efficiently build and operate a common 2G, 3G and 4G radio access network in rural Northern and Eastern parts of Finland. Network construction started in 2015 and a majority of the investments have been completed and implemented as at the date of this Offering Circular. The joint operation uses combined frequency bands of DNA and Telia Company, which has contributed to increased network capacity, faster mobile data speeds and improved service quality. In addition, the joint operation has increased DNA's number of new subscribers and market share in Lapland, where the joint operation network was first implemented in 2015 and hence its positive effects in business performance are most visible. DNA's spectrum ownership is comparable to Elisa and Telia Company; however, as DNA has less subscribers than Elisa and Telia Company, it has significantly more spectrum per subscriber compared to Elisa and Telia Company (see "*Industry and Market Overview—Finnish Mobile Market—Spectrum and Licenses*"). DNA's spectrum position combined with significant network investments have contributed to DNA having the fastest mobile network in the four largest cities, as well as in three others of the ten largest cities in Finland (source: Omnitele Ltd). According to research conducted by Omnitele Ltd in July 2016, DNA has the fastest average downlink broadband speeds of 43.2 Mbps in the ten largest cities in Finland, as compared to 41.9 Mbps for Elisa and 40.6 Mbps for Telia Company. DNA also has the largest HFC network in Finland with network footprint covering approximately 850,000 households or approximately 32 percent of Finnish households. The network is fully Docsis 3.0 upgraded and the 1 Gbps service level is currently available in the Helsinki metropolitan area and Oulu and gigabit grade speeds will be available to all households within the footprint by July 2017.

Competitive service offering, broadest own operator distribution network and a satisfied customer base

DNA's service offering is highly competitive as evidenced by its high and improved Net Promoter Scores (NPS) of 24 and 40 for consumer and corporate customer care respectively, and 54 and 39 for consumer sales and corporate sales, respectively, during the six months ending June 30, 2016 (study conducted on the Company's request). NPS scores are a well-known measurement of customer experience on a scale from negative 100 to 100. DNA also has an extensive distribution network consisting of 64 own retail stores, which is the widest own operator distribution network in Finland. In addition, DNA's products and services are distributed through different external sales channels, including the consumer electronics retail chains Gigantti and Power. Since DNA migrated from using multiple brands to using only one brand in 2015, its brand consideration in both the Consumer and Corporate segment has improved materially. According to the EPSI 2016 customer satisfaction survey, DNA had a good level of customer satisfaction among both consumer and corporate customers. Further, DNA had the the most satisfied corporate customers in fixed data services for a second successive year as compared to other MNOs. All of the above-mentioned factors have contributed to DNA being able to decrease its postpaid mobile churn from 17.1 percent for the year ended December 31, 2013 to 16.9 percent for the year ended December 31, 2014 and further to 16.0 percent for the year ended December 31, 2015 and to 15.5 pecent on an annualized basis for the nine months ended September 30, 2016. On an annualized basis, DNA's postpaid mobile churn for the three months ended March 31, 2016, June 30, 2016 and September 30, 2016 was 13.6 percent, 15.0 percent and 17.8 percent, respectively. While churn has fluctuated on a quarterly basis, DNA has had a better postpaid mobile churn development than its competitors during the 24 months prior to September 30, 2016 (source: interim reports of DNA, Elisa and Telia Company. The use or computation of the term churn is not comparable to the use or computation of the similarly titled measure reported by other companies in the telecommunications industry).

Strong market positions across all growing service areas

DNA has a strong number three position in the mobile market with 26 percent market share as of December 31, 2015, up two percentage points as compared to market share as of December 31, 2013 and being significantly higher than the fourth largest market participant (source: FICORA). From January 1, 2016 to September 30, 2016, DNA's share of new mobile subscriptions was 101 percent (source: quarterly reports of Elisa, Telia Company and DNA). DNA has managed to maintain its position as the largest cable TV provider with a 39 percent market share of all cable TV households in Finland as at December 31, 2015 (source: Ampere), largely due to its extensive, high quality and fully EuroDOCSIS3.0 upgraded HFC network. Importantly, the HFC network has allowed DNA to drive significant market share gains in fixed broadband where its share has increased from 21 percent as at the year ended December 31, 2013 to 25 percent as at the year ended December 31, 2015 (source: FICORA).

Revenue growth momentum and rapidly improving margin and cash generation profile

Strong growth in DNA's mobile subscription base combined with improving churn levels and favorable mobile ABPU development trends have contributed to positive service revenue development over the periods under review. The number of DNA's mobile subscriptions increased from 2,450 thousand as at December 31, 2013 to 2,731 thousand as at September 30, 2016. DNA's EBITDA margin has increased from 24.3 percent for the year ended December 31, 2014 to 29.2 percent for the nine months ended September 30, 2016. Primary reasons for the historical margin increase include a favorable revenue mix effect associated with growth in high margin service revenues and a decline in lower margin interconnection and equipment sales revenues, the acquisitions of TDC Finland and PlusTV and the realization of associated synergies, renegotiation of DTT distribution contracts and other cost control measures. DNA's mid-term EBITDA margin target of at least 30 percent will be driven by operating leverage associated with service revenue growth and increased cost control, including savings associated with the joint operation with Telia Company and new state-of-the-art IT systems. Due to the joint operation, DNA has been able to decommission leased sites in the joint network area, share costs for the remaining sites and transmission backhaul as well as benefit from combined network roll-out, management, operation and maintenance, which has contributed to considerable savings in costs and capital expenditure. DNA's capital expenditure has been elevated over the previous years primarily due to an exceptionally rapid 4G network population coverage. However, with these investments largely behind, capital expenditure savings related to the joint operation with Telia Company starting to take effect, and IT systems upgrades being substantially complete, DNA believes that its capital expenditure intensity will decline significantly going forward with a mid-term target of operative capital expenditure decreasing to less than 15 percent of net sales.

Strong and experienced Executive Team with impressive track record of transforming DNA

With extensive experience in the Finnish telecom market, DNA's core Executive Team consisting of CEO Jukka Leinonen, CFO Timo Karppinen, SVP of Consumer business Pekka Väisänen and SVP of Corporate business Hannu Rokka, is uniquely qualified to execute DNA's strategy going forward. The team's strong track record includes growing DNA's market share in the mobile and fixed broadband markets, growing DNA's total revenues and improving its profitability, strengthening key performance metrics including customer and employee satisfaction and churn rates and executing a number of value creative and synergistic bolt-on in-market acquisitions, including establishing strong fixed line presence through the acquisition of Sanoma Entertainment Oy's Welho operations in 2010, building a business platform to offer close to nationwide TV services through the acquisition of DTT operator PlusTV in 2013 and strengthening DNA's presence in the corporate market through the acquisitions of Forte Netservices and TDC Finland in 2011 and 2014, respectively.

DNA's Strategy

The key components of DNA's strategy are as follows:

Achieve the highest customer satisfaction in the market

DNA is highly focused on customer satisfaction and seeks to have the most satisfied customers in the markets it operates in. According to the EPSI 2016 customer satisfaction survey, DNA had a good level of customer satisfaction among both consumer and corporate customers. Further, DNA had the the most satisfied corporate customers in fixed data services for a second successive year as compared to other MNOs. To achieve the most satisfied customers, the Company aims to provide high quality, fairly priced and easy to use mobile handset, mobile broadband, fixed broadband and TV and video services. In terms of customer experience, DNA focuses on providing highly relevant product bundles and a straightforward, high quality omnichannel shopping and customer service experience throughout the customer life cycle. To ensure high quality of services, DNA has also invested in high quality information systems and analytics tools to build customer insight and create an omnichannel driven customer experience. DNA's motivated employees have an essential position in creating a good customer experience, and the Company has placed considerable emphasis on continuously developing its personnel, processes and working practices.

Leverage the Company's competitive network infrastructure to drive market share gains

DNA believes that its competitive mobile infrastructure, including the highest ratio of spectrum per subscriber and its joint operation in rural Finland, will allow it to continue providing the fastest mobile services in the market on average, which DNA believes will translate into high customer satisfaction and continued market share gains. In terms of the fixed market, DNA's HFC network, which is the largest in Finland covering approximately 32 percent of Finnish households, allows it to offer superfast fixed gigabit grade broadband services in the Helsinki metropolitan area and Oulu. DNA believes that its HFC network, supported by the acquisition of TDC Finland, has played a critical role in allowing the Company to increase its fixed broadband market share from 21 percent in 2013 to 25 percent in 2015, and provides DNA with a strategic competitive advantage to continue growing its fixed broadband market share going forward.

Capitalize on significant upselling and cross-selling opportunities in the Consumer segment by leveraging DNA's strong market positions and converged service offering

DNA believes it has the opportunity to considerably increase its mobile ARPUs by upselling low ARPU 2G and 3G subscribers, which at the end of 2015 represented 44 percent of DNA's mobile subscriptions (56 percent at the end of 2013), to higher ARPU 4G tariffs, and by upselling 4G subscribers to higher-priced and faster-speed tariffs as demand for higher bandwidth mobile data and mobile broadband services continues to proliferate. Furthermore, 24 percent of DNA's mobile subscriptions at the end of 2015 were no-data subscriptions (40 percent at the end of 2013), and these subscriptions are expected to be migrated to higher priced data plans. DNA also believes that it has potential to increase its consumer fixed broadband subscription base, as currently 43 percent of Finnish households do not subscribe for fixed broadband services. At the same time, DNA sees an opportunity to increase its fixed broadband ARPU through adoption of higher speed, higher priced fixed broadband services as the popularity of services requiring high bandwidth connections continues to increase. Similarly, a key part of DNA's strategy is to cross-sell services across its offerings to its existing subscribers. As at June 30, 2016, only 11 percent of DNA's subscribers were subscribed for three or four different categories of DNA's offering, 28 percent were subscribed for two different categories and 62 percent were subscribed for only one category of DNA's offering. For the period January 1, 2016 to June 30, 2016, customers subscribing for more than one category of DNA's offering generated on average 140 percent higher billing than customers subscribing for only one service. For the eight months ended August 31, 2016, customers subscribing for more than one service category of DNA's offering exhibited approximately 40 percent lower postpaid voice churn than customers only subscribing for one service category. DNA believes that high customer satisfaction will contribute to customers' increased concentration to DNA's services, which would reduce churn and increase billing per customer.

Multi-platform TV strategy allows a differentiated and high quality TV and video offering

DNA's strategy is to allow its TV subscribers to enjoy TV and video services on any platform at any time, and switch at will between the platforms. Consequently, once a customer subscribes for TV and video services from DNA, he/she can decide whether to receive such services over cable TV or the IP network, over the DTT network or over the mobile network. The key advantages of this strategy are increased flexibility for subscribers to choose the preferred platform at any given time, higher quality of TV and video services as IPTV services in particular can become congested from time to time. Further, broadcasting TV and video services over DTT network expands the footprint where DNA's TV and video services are available to approximately 85 percent of the Finnish population, which is relevant especially for those subscribers who do not live within the cable TV network area and who want to view pay TV content at their vacation homes. In addition, DNA is likely to be the first MNO in Finland and one of the first MNOs in Europe to start offering Android set-top box in the first half of 2017. The Android set-top box supports all technologies and all services available in Google Play and enables DNA to partner with new OTT providers.

Leverage enhanced market position and offerings in the Corporate segment to grow market share and profitability

DNA's strategy is to increase its market share in the corporate segment, which was estimated to be approximately 15 percent of total business-to-business telecom market revenues in 2015 (source: IDC, Gartner Marketvisio). DNA is targeting municipalities, small and mid-size enterprises (**SMEs**) and increasingly the large enterprise customer segment, which has traditionally been served primarily by Elisa and Telia Company. Within the Corporate segment, DNA offers end-to-end telecommunications services and value-added services as corporate customers increasingly look to purchase their telecom or IT services from a single telecom provider. DNA's ability to serve the large enterprise segment improved significantly following the acquisition and integration of TDC Finland, which provided access to customer relationships and competitive fixed network services and service processes as well as expertise relating to large customer sales, project management and customer relationship management. In 2016, DNA has started to offer to the first large enterprise customers a full suite of third generation communication services, such as IP PBX services, omnichannel contact centre and corporate numbering services. Part of DNA's strategy is to transfer corporate subscriptions from usage-based to package-based contracts, and at least 100,000 subscriptions are expected to be migrated to package-based contracts over the next three years, increasing ARPU. In addition, the leveraging of third generation mobile and IP PBX is expected to result in significant decrease of current licensing costs, starting in the second quarter of 2017. Good level of customer satisfaction and good NPS Figures in the Corporate segment should support DNA's efforts to gain share in the market going forward. DNA estimates that the market potential for its current service portfolio in the Corporate segment is approximately EUR 1.5 billion.

Continued cost and capital expenditure control and operational efficiency initiatives to further enhance cash flow generation of the business

DNA's strategy is to operate in a cost efficient manner and continuously seek ways to enhance the operational efficiency of the business. While DNA has already carried out various efficiency programs and acquisition related synergy extraction programs, a key focus area for the future is to leverage the joint operation with Telia Company to reduce operational expenses and capital expenditure intensity of the business. Furthermore DNA expects to increase its operational agility and efficiency by utilizing its upgraded IT systems, which allow it to offer customers increasingly personalized service to its customers to increase the share of online transactions in marketing, sales and customer care, as well as to automate its core processes, especially the order and delivery processes. In addition, through DNA's mobile network investments and joint operation with Telia Company, DNA has established a high quality network with nationwide mobile coverage, allowing it to compete head-to-head against Elisa and Telia Company among major corporate customers.

DNA is targeting growth both organically and potentially via bolt-on in-market acquisitions which are either highly synergistic or allow to strengthen DNA´s strategic position in its key growth areas.

Financial Targets

The Board of Directors has adopted the following financial targets in connection with the Listing. These financial targets constitute forward-looking statements that are not guarantees of future financial performance and DNA's actual results of operations could differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including but not limited to those described under "Certain Matters—Special Cautionary Notice Regarding Forward-Looking Statements", "Risk Factors", and "Operating and Financial Review—Key Factors Affecting Results of Operations." Any financial targets discussed herein are targets only and are not, and should not be viewed as forecasts, projections or estimates of the Company's future performance.

The mid-term financial targets of DNA are:

- Revenue growth faster than average market growth;
- EBITDA-margin of at least 30 percent;
- Operative capital expenditure less than 15 percent of net sales (excluding potential fees for spectrum licenses); and
- Net debt/EBITDA less than 2.0x, which can be temporarily exceeded in case of potential attractive bolt-on in-market M&A opportunities.

Operative Segments and Service Offering

DNA's business is organized in two operative segments: Consumer and Corporate. For the year ended December 31, 2015 the Consumer segment represented 71.9 percent of the Company's revenue and the Corporate segment represented 28.1 percent, while for the nine months ended September 30, 2016, the Consumer segment represented 73.3 percent of the Company's revenue and the Corporate segment represented 26.7 percent.

Consumer Business

Within its Consumer business segment, DNA offers subscribers mobile handset services, mobile broadband services, fixed voice and broadband services as well as TV and video services. In addition, DNA also offers consumers a broad selection of handsets, tablets, dongles, set-top boxes and related accessories from leading suppliers.

The following table sets out selected key figures for the Consumer segment:

	For the nine months ended September 30,		For the year ended December 31,		
	2016	2015	2015	2014 (restated)	2013 (restated)
	(Unaudited, unless otherwise stated) (EUR million)				
KEY FINANCIAL DATA					
Consumer business net sales	464.4	442.1	596.3[1]	620.4[1]	592.1[1]
Consumer business EBITDA	131.2	119.6	154.6[1]	141.3[1]	131.9[1]
Consumer business operating result	61.4	43.6	56.0[1]	23.0[1]	34.4[1]

(1) Audited.

Mobile Handset Services

DNA offers mobile handset services to consumer subscribers on postpaid rate plans invoiced monthly and prepaid pay-as-you-go plans. DNA's mobile handset services are a significant contributor to DNA's mobile services revenues. As at September 30, 2016, approximately 84 percent of DNA's mobile handset subscriptions were postpaid subscriptions. Mobile handset services are typically bundles of voice and data for handsets with a possibility to separately purchase mobile broadband services for other devices. All postpaid plans offered by DNA include unlimited data with fixed monthly subscription fees determined by data connection speed, with either all voice minutes and messages or voice minutes and messages exceeding the plan charged separately. The offering covers all relevant price points thereby addressing the whole market potential. DNA offers plans either for fixed periods, typically for 12 or 24 months, or without fixed period. As at September 30, 2016, approximately 40 percent of DNA's mobile handset subscriptions were for a fixed period with a typical contract term of 12 months.

For postpaid plans, mobile handset revenues are generated from monthly subscription fees, usage fees for services that are incremental to the services included within monthly subscription fees, and inbound roaming and interconnection fees. Starting in November 2016, DNA will for the first time include in one of the subscription plans that it offers a certain monthly data quota for roaming in EU countries without additional charges. In connection with DNA's prepaid services, mobile revenue is mainly generated from various tariff plans in which prepaid revenue is earned on a per-unit, per-day or per-month basis. Revenues generated from postpaid subscriptions are more predictable and subject to lower churn than revenues generated from prepaid subscriptions.

Mobile Broadband Services

DNA offers consumer customers mobile broadband services for dongles, home routers, tablets and laptops and the services contribute to DNA's mobile services revenues. DNA offers its mobile broadband services on both a postpaid and prepaid basis. All of DNA's postpaid plans include unlimited data and have a fixed monthly subscription fee reflecting the speed of the data connection. DNA offers prepaid packages on both limited and unlimited data usage basis. DNA offers plans either for fixed periods of 12 or 24 months, or without any fixed period. Postpaid mobile broadband subscriptions are invoiced monthly for services used. As at September 30, 2016, approximately half of DNA's mobile broadband subscriptions were on fixed period contracts.

DNA also offers prepaid data subscriptions aimed at tablet users who do not use mobile broadband regularly. Prepaid subscribers pay in advance and can recharge their prepaid SIM card with additional credit.

Fixed Broadband Services

DNA offers fixed broadband services both indirectly through housing associations and through direct contracts with households of the housing associations. DNA's fixed broadband services are a significant contributor to DNA's fixed non-voice revenues. In housing association broadband service, DNA enters into an agreement for a fixed term (varying typically from 24 to 36 months) with the housing association to provide broadband connections to all apartments in a building, against a fixed monthly fee. The fee is collected by the housing association from each individual apartment as part of the monthly service charge. Pursuant to the Finnish Limited Liability Housing Companies Act (1599/2009) and established practice concerning collective decision-making procedure in a housing association, housing associations may by the majority decision of the tenants only acquire fixed broadband subscriptions and cable TV subscriptions containing free-to-air channels but not pay TV packages. The connection speeds offered for housing association broadband services are relatively low, typically up to 10 Mbps, and are mainly offered to households that have an Ethernet network or cable intranet within the building. The majority of DNA's fixed broadband subscriptions are based on housing association agreements. On top of its fixed broadband service, DNA also offers consumers bundles of pay TV, fixed broadband and mobile broadband services. As at September 30, 2016, more than 65 percent of DNA's fixed broadband subscriptions were based on housing association contracts (including individual housing association connections upgraded to faster speeds), having increased from less than 45 percent as at December 31, 2013.

DNA also offers fixed broadband services directly to tenants through its DNA Valokuitu Plus and DNA Tuplakaista offering consisting of a mobile and fixed broadband subscription. DNA Valokuitu Plus is available in seven of the ten most populated regions in Finland. DNA's HFC cable network is not currently available in Tampere, Jyväskylä or Turku.

Tenants that have a cable network or an Ethernet network within the building can upgrade their housing a broadband service or, if they are not indirect subscribers of DNA through a housing association contract, subscribe directly to fixed broadband services with download speeds of 50 Mbps, 200 Mbps or gigabit grade (gigabit grade speeds are only available in the Helsinki Metropolitan Region and Oulu) against a fixed monthly fee. In areas where DNA is relying on copper-based xDSL technology, the download speeds offered are considerably lower, ranging between 5 Mbps and 50 Mbps, which corresponds to the speeds offered by other xDSL providers. As at December 31, 2015, 12 percent of DNA's fixed broadband subscriptions in the Consumer segment were served over the xDSL network. The majority of DNA's fixed broadband subscriptions are on a fixed period plan. DNA Valokuitu Plus and DNA Tuplakaista are only offered as 24 month fixed term subscriptions. Fixed broadband services over DNA's HFC cable network is offered almost exclusively to consumer customers.

TV and Video Services

DNA offers four types of TV and video services: basic TV, cable based pay TV, DTT based pay TV and OTT services through the DNA TV app service. DNA's TV and video services are a significant contributor to DNA's fixed non-voice revenues. DNA offers access to TV and video content through a multi-platform service, which allows subscribers to select the preferred receiving method for such services.

In most cases, DNA offers a basic TV package of various free-to-air channels (standard or high definition) by entering into an agreement with housing association for a fixed term (varying typically from 24 to 36 months). The basic TV service currently includes several free-to-air channels (in both SD and HD) and it is provided to all apartments in the building against a fixed monthly fee, which is collected from customers by the housing association as a part of monthly service charges. As part of its cable based pay TV service, DNA offers customers access to premium content packages often together with faster fixed broadband services in exchange for a monthly fee that it collects directly from the customers. Hence, basic TV service offered through housing associations allows DNA to offer pay TV services to indirect captive subscribers within a contracted housing association, to become direct subscribers of its higher-end services. In addition to the direct subscription fees from the customers, DNA retains the revenue generated from the sale of the basic TV (and fixed broadband) service to the housing association. DNA offers cable based pay TV plans either for fixed periods, varying typically from 3 to 12 months, or without a fixed period.

In addition, DNA offers various customized DTT based pay TV packages either for fixed periods, varying typically from 3 to 12 months, or without a fixed period. The DTT based pay TV services are primarily offered to residential areas built up with single-family houses, rural households and customers with summer cottages.

To best take into account the preferences of its customers, DNA offers various custom-built pay TV packages to its customers, including among others MTV, Total, Cmore Film, Ruutu+ and Viasat packages, and thematic DNA pay TV channel packages. DNA pay TV channel packages include DNA Mix, enabling subscribers to select favorites from a range of standard or high definition channels, including DNA Sportmix content package that allows customers to select one, two or five combined sports channel packages. While DNA mainly offers pay TV as opposed to basic TV through its terrestrial network, it nevertheless broadcasts the HD version of certain free-to-air channels (such as YLE and MTV3) on its MUXs. See "*—Material Agreements Relating to DNA's Business—Distribution Agreements with Broadcasters and Content Providers.*"

Because of a discrepancy in the implementing provision (section 351) and the transitional provision (section 352) set forth in the ISC, it currently remains unclear whether the must carry obligations concerning channels other than those of YLE's, such as MTV3 and Nelonen, will expire by the end of 2016 or when the licenses for TV operations of public interest pursuant to the ISC section 26 enter into force in 2017. DNA has received notices of terminations concerning the transmission of free-to-air channels of MTV 3 and Nelonen. According to the notices of terminations, the transmission of channels will expire at the end of 2016 or in 2017 on a channel-to-channel basis. After the expiration of must carry obligations, DNA no longer has the obligation or permission to transmit free-to-air channels, unless DNA and the TV operators enter into an agreement concerning transmission. With respect to pay TV channels, DNA is currently negotiating with TV operators on the migration to DVB-T2 infrastructure based on terrestrial TV. The negotiations may result in changes in the distribution of terrestrial TV channels on UHF MUXs.

DNA offers OTT services such as subscription based video-on-demand (**SVOD**) as well as transaction based video-on-demand (**TVOD**) services to its customers. DNA has been offering entertainment services through the service labeled DNA TV app since the second quarter of 2015 to respond to the shift in consumers' use of entertainment services. A DNA TV app subscription is a television everywhere (**TVE**) service that enables subscribers to watch Pay TV programming on various devices such as televisions, smartphones, tablets and computers. The app has the ability to record up to 4,000 hours of programming in the cloud for an additional monthly fee. The DNA TV app is available to all consumers as a separate service without a DTT or cable subscription being required, and therefore can be subscribed for by the entire Finnish population. Regardless of whether it is subscribed for as a standalone product or in combination with other TV services, DNA charges subscribers separately for the DNA TV app. As at September 30, 2016, DNA had approximately 272 thousand DNA TV app subscriptions, evidencing the rapid take up of the service.

Fixed Voice Services

DNA offers fixed voice services on monthly rate plans priced based on usage. DNA also offers a plan including both a mobile handset subscription with a fixed line numbering plan. DNA's fixed voice services are no longer actively marketed to consumers.

Sale of Equipment

DNA offers its consumer subscribers a broad selection of handsets, tablets, dongles, set-top boxes and related accessories that the Company sources from a number of well-known suppliers, including Apple, Huawei, Samsung and Sony. DNA sells handsets, tablets, dongles and set-top boxes through direct and indirect channels. DNA is continuously looking to improve the quality and breadth of its handset services to take advantage of new market developments and new mobile handset features. DNA also resells some of the equipment to external sellers. Equipment sale is a vital part of DNA's customer service and customer retention and a factor in acquiring new customers. All of DNA's equipment is generally sold without subsidies, and no equipment is currently typically tied to subscription plans.

Corporate Business

Within its Corporate business segment, DNA offers end-to-end solutions in the following categories:

- Communication services consisting of mobile handset services and fixed voice services;
- Networking services consisting of mobile broadband and fixed broadband services;
- Value added services consisting of cloud, hosting and security services as well as M2M services;
- A wide selection of corporate business equipment such as PBX, video and LAN/WLAN; and
- Wholesale business services consisting of the fixed data and voice wholesale and MVNO businesses.

DNA's corporate customers include, single office/home office (**SoHo**) customers, SMEs, large enterprises as well as municipalities and other public entities. Approximately a quarter of DNA's Corporate segment revenues are generated from wholesale customers, which include other MNOs such as Elisa and Telia Company, as well as international carriers and large ICT operators. Approximately a quarter of DNA's Corporate segment revenues are generated from small and medium sized businesses (with less than 50 employees) and freelancers, while large enterprises (with more than 50 employees) and public sector entities generate approximately half of the segment's revenues.

With telecommunication and IT services being increasingly interlinked in offerings to corporate customers, DNA is partnering with IT service providers to offer corporate customers the most attractive services. This is in contrast to the other MNOs in Finland who to a larger extent, offer IT services and devices as part of their own offerings.

The following table sets out selected key figures for the Corporate segment:

	For the nine months ended September 30,		For the year ended December 31,		
	2016	2015	2015	2014 (restated)	2013 (restated)
	(unaudited, unless otherwise indicated) (EUR million)				
KEY FINANCIAL DATA					
Corporate business net sales	169.3	172.7	232.5[(1)]	211.2[(1)]	173.0[(1)]
Corporate business EBITDA	53.9	54.0	73.1[(1)]	60.9[(1)]	57.5[(1)]
Corporate business operating result	15.4	10.2	17.1[(1)]	2.6[(1)]	7.9[(1)]

(1) Audited.

Communication Solutions

DNA offers its corporate customers communication solutions consisting of mobile handset and fixed voice services. DNA offers mobile handset services to corporate customers on monthly rate plans. Mobile handset services contribute to DNA's mobile services revenues while fixed voice services contribute to fixed voice revenues. Most mobile plans offered by DNA for corporate customers include limited data usage with fixed monthly subscription fees determined by data connection speed, and with either all voice minutes and messages or only voice minutes and messages exceeding the plan charged separately. DNA offers plans either for fixed 24 or 36 month periods for corporate customers and for fixed 36 to 72 month periods for public entities or without a fixed period. Customers are generally invoiced monthly.

DNA offers fixed voice services to corporate customers on monthly rate plans priced based on usage. DNA offers plans for fixed voice services as well as mobile subscriptions with a fixed network numbering plan. In addition, DNA offers number services for corporate customers to be used by DNA's customers own customer service. DNA also offers its corporate customers corporate and conferencing number services enabling the customer to connect and streamline all telephone numbers needed.

Networking Services

DNA offers its corporate customers networking services consisting of mobile broadband and fixed data services. Mobile broadband services are offered on monthly rate plans. DNA's mobile broadband services contribute to DNA's mobile services revenues while fixed data services contribute to fixed non-voice revenues. Most plans offered by DNA for corporate customers include unlimited data usage with fixed monthly subscription fee determined based on data connection speed. DNA offers plans either for fixed periods or without fixed period. Mobile broadband subscriptions are generally invoiced monthly for services used.

DNA offers a wide range of fixed data services to its corporate customers, including fixed broadband services for SoHo customers and Multiprotocol Label Switching (**MPLS**) or private IP-VPN networks that use MPLS technology, enabling mid-size and large customers to connect their business sites easily and cost effectively regardless of location.

DNA's third generation communications services include a Mobile Switchboard, IP switchboard and multichannel Contact Center functions as cloud services. The service supports mobile terminals, IP phones and telephone applications, and the solution can be integrated with access control systems, office applications and the customer's traditional telephone switchboards.

Value Added Services

DNA's value added services consist of among others cloud and hosting services and security services. DNA's value added services contribute to DNA's fixed non-voice revenues. DNA offers a full set of cloud and hosting services targeted at corporate customers through its DNA Server Room, DNA Server and DNA Backup services. DNA's hosting services provide customers with an easily deployable, high-availability server environment supported by the Company's data centers located in Finland. DNA enables solutions and operational services to be used without investments by the customer in hardware premises, systems and expertise. The services offered are designed to scale in accordance with the customer's needs.

DNA's data security services offer corporate customers cost-effective, easily scalable data security solutions nationally and internationally. DNA's services secure its customers' servers, databases, applications and workstations from external threats and provide visibility for monitoring and managing the content and capacity of company networks. The offering includes firewall, attack prevention and virus prevention services with network traffic filters, as well as services for user authentication and user rights. In addition, DNA offers a variety of data communication security services combining internet access with integrated security services such as DDoS protection and unified threat management, co-location, LAN/WLAN, professional services and 24/7 customer services. The value added services offered to corporate customers are often a particular focus point for customers seeking comprehensive communication and networking services.

M2M Services

DNA offers its corporate customers M2M solutions (*i.e.*, automated data communication between industrial devices, machines and different systems via mobile network) tailored to individual customer requirements in the 2G and 3G networks through DNA M2M subscriptions. DNA offers M2M subscriptions with maximum speeds of up to 2 Mbps which are priced according to usage. During the last six months, the number of DNA's M2M subscriptions has been growing with approximately 5,000 new subscriptions per month. DNA's M2M services contribute to DNA's mobile services revenues. While the increasing uptake of 4G terminals and faster mobile broadband is rapidly decreasing 2G/3G-only terminals in the network, the large amount of M2M-subscriptions with 2G-only terminals are likely remain in the network until the customers have replaced the terminals to 4G- or 5G-technology.

Sale of Equipment

DNA offers its corporate customers LAN and WLAN services and equipment covering both delivery and maintenance and enabling efficient internet connections. DNA also offers cloud-based virtual private branch exchange (**VPBX**) and Omnichannel Contact Center services and related equipment. DNA's corporate sale of fixed equipment is a contributor to DNA's fixed non-voice revenues. In addition, DNA offers in limited amounts mobile equipment, such as handsets, tablets, dongles, set-top boxes and related accessories, which DNA sources from a number of well-known suppliers, including Apple, Huawei, Samsung and Sony. DNA's corporate sale of mobile equipment contributes to DNA's mobile equipment revenues.

Wholesale Business

DNA offers a comprehensive portfolio of mobile, fixed and value added services to its domestic and foreign wholesale partners. DNA's most significant domestic wholesale partners are Elisa and Telia Company. DNA's wholesale services consist of access, IP VPN, ethernet VPN, network capacity, roaming and IP transit services. DNA's fixed wholesale services contribute to DNA's fixed non-voice revenues and fixed voice revenues. DNA also offers MVNOs mainly network access and capacity transmission services whereby MVNOs can utilize DNA's network. DNA's MVNO services contribute to DNA's mobile services revenues.

Customers

Overview

DNA had over 2.7 million mobile subscriptions as at September 30, 2016. For the year ended December 31, 2015, DNA's top 50 customers consisted mainly of large enterprises and housing association customers and generated less than 5 percent of total revenues for the year, indicating a well-diversified customer base. The ten largest housing associations and the 20 largest housing associations represented 12 percent and 20 percent of all DNA's housing association customers, respectively. DNA's large customers also include big rental companies such as SATO Oy and VVO-yhtymä Oyj.

DNA's Corporate business segment has a diversified customer base with approximately 60,000 customers as of June 30, 2016. For the six months ended June 30, 2016, the 50 largest customers generated 29 percent of the Corporate segment revenues with the 500 largest generating 57 percent and the 1,000 largest generating 82 percent, respectively. DNA's corporate customers typically have a contract period of three to five years.

DNA has recently entered into a four-year contract worth approximately EUR 5 million with the City of Tampere and a three-year contract worth approximately EUR 3.5 million with YLE. Through the contracts with the City of Tampere and YLE, DNA is gaining approximately 17,000 new mobile handset and mobile broadband subscriptions and approximately 3,500 new mobile subscriptions, respectively. The deliveries for the City of Tampere and YLE have not started as at the date of this Offering Circular.

Between December 31, 2013 and December 31, 2015 DNA increased its overall subscription base by 171 thousand subscriptions, growing DNA's mobile subscription base at an average annual growth rate of 3.4 percent over that period. The following table sets out the development of DNA's subscription numbers per category for the periods indicated:

	Nine months ended September 30,		Year ended December 31,		
	2016	2015	2015	2014	2013
	(unaudited)			(unaudited)	
	(in thousands)				
NUMBER OF SUBSCRIPTIONS (000s)					
Mobile subscriptions	2,731	2,580	2,621	2,505	2,450
Fixed broadband subscriptions	438	430	436	415	322
Cable TV subscriptions	609	599	606	593	591
DNA TV app subscriptions	272	173	186	112	10
Fixed voice subscriptions	68	82	78	100	103

Customer Service, Customer Relationship Management and Retention

DNA's customer service efforts are coordinated with the aim to provide competent, solution-oriented consultancy and advice. A primary focus of DNA's customer care group is customer life cycle management, including sales, retention, billing inquiries and technical support. DNA continuously develops and maintains its IT systems with some 30 IT projects launched during 2015. DNA has focused on improving the churn prediction system and has improved the churn prevention skills of its customer care professionals. In 2015, DNA built data analytics capabilities in its customer service systems enabling personalized services based on real-time customer behavior analysis.

DNA's mission is to have the most satisfied customers among the Finnish national telecommunications service providers. DNA has also made considerable investments in its customer service in recent years and implemented a number of measures to improve the experience of its customers. DNA has in place systematic processes to collect and manage to customer feedback and monitor service quality, and advanced big data architecture and analytic tools to support customer management and care. DNA also has modern marketing automation software to create a two-way dialog with customers. In 2015, additional resources helped shorten the queueing times of DNA's phone service and during the three months ended December 31, 2015, DNA had the fastest customer service response time as compared to its main competitors (source: FICORA as at February 2016). The number of DNA's incoming customer care calls declined from 508 thousand for the three months ended June 30, 2014, to 428 thousand for the three months ended June 30, 2016, indicating improving service quality. Customer satisfaction was also boosted by further development of training, coaching and customer service processes and systems as well as expansion of service advisor competence. Online services were also enhanced with the aim of providing even better customer service in all channels. For example, customer service in social media channels was expanded and single sign-on was introduced towards the end of 2015 to allow customers to access all DNA services easily. DNA believes that its investments in customer service have partly helped it to achieve a low churn in the Finnish mobile market, with an annualized churn of 15.5 percent for the nine months ending September 30, 2016. Further development of DNA's customer service has been, and will continue to be, a focus area for the Company. In addition, DNA has a strong and improved NPS, and for the six months ended June 30, 2016, the average NPS for retail sales, online sales and customer care in the Consumer segment were 54, 35 and 24, respectively, while the average NPS for sales, delivery and customer care in the Corporate segment were 39, 38 and 40, respectively. During the six months ended June 30, 2016, the NPS increased in all of DNA's Consumer business service categories as compared to the six months ending June 30, 2015.

For several years, DNA has received a good level of customer satisfaction rates from both consumer and corporate customers in the EPSI customer satisfaction survey. In the EPSI 2016 customer satisfaction survey, DNA had the most satisfied corporate customers in fixed data services for a second successive year as compared to other MNOs.

Brand and Marketing

DNA launched its new single-brand strategy in April 2015 to improve brand recognition and highlight DNA's position as one of the leading operator in the Finnish telecommunications market. Previously separate DNA Business and DNA Kauppa brands were fused into the new DNA brand to convey a more unified brand identity to the customers in all encounters. In addition, the integration of the companies DNA Business, Forte Netservices and TDC Finland into the DNA brand has significantly improved the perception of DNA in the business-to-business market.

The DNA brand aims to represent high quality, modernity and appreciation of people, and to appear as open, dynamic, and easily approachable. Through the DNA brand, DNA intends to visualize how the Company is at the forefront of technological development, quality and expertise, and responds to customers' needs in an efficient, straightforward manner. In the Corporate business segment, DNA's branded services are positioned to be built on a real interest in the customer's business as well as an uncompromised willingness to provide good service and the best available expertise. Through the brand, DNA aims to appear as an agile problem-solver that builds flexible solutions scaled according to the customers' actual needs. The brand's target is to display commitment, openness and honesty, as well as an unassuming focus on the customers' needs. The DNA brand is well known among both consumer and corporate customers, which is reflected in DNA's brand value. In 2015, DNA's brand value grew by 86 percent and had the third highest value growth of telecommunications service providers in Europe. In addition, DNA's brand was considered to be the ninth most valuable brand in Finland (source: Brand Finance). For the six months ended June 30, 2016, the brand awareness with respect to DNA's Corporate business among all companies was 73 percent, increasing from 62 percent for the six months ended June 30, 2015 (source: Brand tracker, financial survey, study conducted on the Company's request).

DNA utilizes a variety of marketing channels to advertise its products, including television, print advertising, telemarketing and internet. DNA's marketing is centered around its well-known brand and award-winning marketing campaigns. DNA's dedicated marketing team employs a multi-channel approach to advertising its products, with a strong focus on digital marketing.

Sales and Distribution

DNA distributes its products and services through direct and indirect channels with sales through direct channels generating the vast majority of revenues. Direct distribution occurs through DNA's own stores, online presence, direct mailing and telephone sales through DNA's call centers (inbound and outbound calls). DNA's indirect channels comprise third-party sales representatives, including consumer electronics retail chains Gigantti and Power. Both DNA's own store network and its indirect channels sell mobile, fixed broadband and TV and video services. A notable part of DNA's services are currently sold using a pricing model in which at the beginning of the agreement period, the subscriber receives the service for fixed periods at a lower price or with additional services at the same joint price. After the lower pricing period offered at the beginning of the agreement period, the price paid by the customer increases. Existing customers are also offered higher-priced mobile services by providing faster speeds or otherwise improved services with particularly affordable pricing at the beginning of a fixed contract term. DNA also uses particularly affordable prices to attract new customers from its competitors.

DNA's own store distribution network, which is the largest of any Finnish telecommunications operator, is DNA's most important distribution channel as almost half of DNA's subscriptions are sold through its own retail stores. DNA's retail chain includes 64 stores and in addition, partnerships with Gigantti and Power give access to 150 additional shops. DNA has an exclusive agreement with Samsung to operate four Samsung Experience Stores in large Finnish cities. All of DNA's voice and broadband subscriptions as well as TV and video services are available at these stores. In addition, in 2015, DNA adopted a new online store platform containing all its services and devices available online.

DNA's Corporate business segment sales for large enterprises, public sector and municipalities are carried out through DNA's online self service platform, partner sales representatives supported by pre-sales and solution architects, as well as nine sales offices and dedicated corporate sales teams. The smaller SME corporate customers are serviced mainly through sales representatives through partner dealers as well as through DNA's own distribution network with 63 stores. Additionally, SoHo sales are carried out through call center inbound sales and online sales. DNA's corporate sales teams for both SME and large enterprise customers consist of approximately 100 professionals in total. Moreover, DNA employs account management teams for its corporate customers, depending on the services needed and the customer revenue potential.

DNA's prepaid mobile voice subscriptions are supported by an extensive retail network for top-ups. Prepaid mobile voice subscribers pay in advance and can recharge their prepaid SIM card with additional credit. In December 2015, DNA and Russian operator Aiva Mobile launched the first prepaid subscription in Finland for affordable calls between Finland and Russia.

DNA pays commissions to its representatives based on subscription activations and customer billing.

Credit Management and Billing

DNA's mobile subscribers purchase subscriptions and mobile phones directly from DNA or from other retailers. DNA bills its postpaid mobile voice, mobile broadband, fixed voice and fixed broadband service subscribers directly. With prepaid products, customers pay for the use of the subscription in advance and after using the initial balance of the product, can purchase addition balance. For prepaid products, DNA bills the purchase prices of the products to the retailers and distributors shortly after DNA delivers these products. DNA has a large number of customers and the individual receivable amounts are comparably small, and therefore DNA believes that its credit risk is evenly spread. New customers are subject to credit checks as part of the ordering process. DNA also monitors the credit status of its existing customers, and if any customers are found to have credit problems, unsecured new sales are not made. For the year ended December 31, 2015, the impairment loss of trade receivables totalled EUR 3.0 million (EUR 3.6 million in 2014), or 0.4 percent of total revenues (0.4 percent for the year ended December 31, 2014), demonstrating a low level of credit losses. Customers with weaker solvency are required to pay the basic charges in advance as a deposit. DNA has an agreement on collection services of unpaid receivables with a debt collection agency.

The harmonization of DNA's billing systems is ongoing in order to further lower billing costs by optimizing IT development, maintenance and license costs. This ongoing harmonization process includes further development of an existing billing system in order to provide one combined generic billing solution for both the Consumer and Corporate business segments as well as the associated migration activities from the existing billing services.

DNA offers payment plans of 12–36 months for its handsets and tablets. Other equipment is usually sold without installment plans. If the customer exchanges a handset or tablet for a newer model, DNA may credit a portion of the purchase price, depending on the value and condition of the customer's previous handset or tablet.

DNA offers its subscribers the opportunity to pay for purchases by invoice for mobile handset services. DNA has been negotiating with potential partners on possible cooperation in in the development of a joint mobile payment service with potential partners.

Network and Infrastructure

Overview

DNA's network infrastructure consists of mobile network, HFC network, xDSL network, transmission network and DTT network. DNA believes that its well-invested mobile and fixed network infrastructure provides it with a strong competitive position in the market:

- DNA has one of the most advanced mobile networks in Finland, which is expected to provide 4G coverage to 99.6 percent of the population of mainland Finland by the end of 2016, and according to Omnitele Ltd, offers the fastest average downlink mobile broadband speeds in the ten largest cities in Finland;
- DNA's joint operation with Telia Company, Suomen Yhteisverkko Oy has constructed a joint mobile radio access network in the Northern and Eastern Finland, enabling DNA to provide high quality mobile coverage in rural areas in a capital efficient manner;
- DNA has a strong spectrum position: as it has less subscribers than its competitors in Finland, it has significantly more available spectrum per subscriber;

- DNA has the most extensive hybrid-fiber-coaxial (HFC) cable network in Finland based on the number of households covered within its footprint, which passed 850 thousand households and connected 608 thousand households as at June 30, 2016. DNA's HFC cable network is 100 percent EuroDOCSIS3.0 upgraded allowing at least 350 Mbps download speeds to all households and gigabit grade speeds in the Helsinki metropolitan area and Oulu. All households within the network's footprint are expected to have access to gigabit grade speeds by the end of July 2017 at the latest; and
- DNA's DTT/DVB-T2 infrastructure, which covers approximately 85 percent of the Finnish population and allows cost efficient distribution of linear TV outside of DNA's HFC footprint.

Mobile Network

DNA has made significant investments into modernizing and increasing the coverage of its mobile network over the last decade. Investments in the mobile network are expected to change from modernization and coverage investments towards capacity expansion during the next few years, at lower capital expenditure rates than in recent years. Increasing 4G and transmission network capacity will be the primary investment focus areas in the coming years, in order to manage the estimated ten-fold mobile data traffic growth in the next five years (source: Cisco, Ericsson and IDC). As at December 31, 2015, as DNA had less subscribers than its main competitors, DNA had the highest spectrum ownership per subscriber with 109.9 Hz of spectrum per subscriber, while the corresponding metrics for Elisa and Telia Company were 74.6 Hz and 91.9 Hz, respectively. Further, DNA has a significantly higher spectrum ownership per subscriber than for example Vodafone and Telefonica Deutschland with 13.2 Hz and 11.0 Hz spectrum per subscriber, respectively (source: publicly available company materials of Vodafone and Telefonica Deutschland).[20]). In addition, DNA has introduced LTE Advanced techonology and expects to gradually introduce the related carrier aggregation (**CA**) technology in order to improve network capacity and service level with faster download speeds.

After four years of extensive modernization and significant investments, DNA believes that it now has one of the most advanced, if not the most advanced, mobile network in Finland. DNA's entire mobile network has been modernized with 4G and multi-standard radio (**MSR**) technology that allows software defined radio capacity allocation between technology generations (2G, 3G and 4G) in the same hardware units in order to prepare for future increased high speed data usage. In addition to the improved capacity and coverage, the usage of MSR technology has significantly improved the energy efficiency of the mobile network. The main platform for mobile data services is the 4G network, providing 5 to 80 Mbps user-specific data rates with theoretical maximum data rates up to 300 Mbps. According to research conducted by Omnitele Ltd in July 2016, DNA has the fastest mobile network on average measured in the ten largest cities in Finland. DNA plans to offer theoretical maximum speeds of 600 Mbps in the future, enabled by carrier aggregations with existing frequencies. Moreover, DNA is going to introduce secure mobile voice services also on the 4G network and wireless networks. These services will be commercially available at the beginning of 2017. As a result of DNA's extensive investments on its mobile network, DNA's 4G network is expected to cover 99.6 percent of the population of mainland Finland by the end of 2016, having increased from covering 15 percent of the Finnish population at year-end 2012. The base station connections of DNA's mobile network backhaul is 97 percent fiber-based or high-speed radio links. The total mobile data volume in DNA's mobile network almost doubled in 2015, and tripled in the 4G network. The increasing uptake of 4G terminals and faster mobile broadband is rapidly decreasing 2G/3G-only terminals in the network. The large amount of M2M subscriptions with 2G-only terminals are likely to remain in the network until customers have replaced the terminals to 4G- or 5G-technology, meaning that 2G-services might remain longer in network use than 3G. Standardization of 5G is ongoing at the moment, and DNA does not expect any commercial roll-out of the technology before 2020 at the earliest. Any overall network strategy going into 5G has not yet been defined, including spectrum to potentially be used in 5G.

In 2015, DNA's 4G network expanded significantly in rural areas through Suomen Yhteisverkko Oy, a joint operation formed by DNA and Telia Company, which rolled-out the network in Northern and Eastern Finland, making 4G network available to 160,000 new customers and expanding the number of DNA's base stations in the area of the joint operation by 50 percent. Suomen Yhteisverkko Oy's basic network coverage has been completed in the third quarter of 2016 covering 50 percent of the geographical area of Finland but less than approximately 15 percent of the population. The Company believes that the joint operation offers the Company an efficient structure to offer better coverage, more capacity and higher network speeds in this rural area compared to expanding DNA's own mobile network in the area.

Fixed Network

DNA's fixed broadband offering is primarily based on HFC and FTTx-access-solutions, mainly depending on internal cabling solutions in the customer buildings. DNA's HFC network currently covers approximately 32 percent of Finnish households and provides access to 350 Mbps speed through EuroDOCSIS3.0 capability in the entire network. As at September 30, 2016, DNA's HFC network delivered gigabit grade speeds with EuroDOCSIS3.0 technology in the Helsinki metropolitan area and Oulu and by July 2017, 100 percent of the network footprint is expected to be capable of receiving gigabit grade speeds. The future plans of the technology standard in connection with DOCSIS3.1 cover a roadmap to provide end-users with symmetric speeds up to 10 Gbps, however no decision to invest in the EuroDOCSIS3.1 has been made at the date of this Offering Circular.

DNA's wholly owned copper network measures approximately 2,300 thousand kilometers of cable pairs with an xDSL footprint of approximately 500 thousand households. Demand for xDSL services is decreasing (in favor of HFC, FTTx and mobile broadband access-methods). As at December 31, 2015, only 12 percent of DNA's fixed broadband subscriptions in the Consumer segment were served over the xDSL network and this number is expected to further decrease in the future. Investments in the copper network are made only for maintenance purposes. DNA utilizes operational copper access leases, with typical durations of 6 months to 3 years, mainly in the corporate business in areas where DNA does not have its own copper infrastructure.

Transmission Networks

DNA owns most of its fiber-optic network, approximately 24,000 cable kilometers. The transmission network architecture consists of a nationwide 100 Gbps scalable backbone connecting all major cities in Finland and several regional metro and access networks. DNA's backbone network is 90 percent based on the Company's fully owned fibers while the remaining 10 percent is provided by IRUs and leased fibers. Enhancement of transmission network will consist of investments in new fibers as well as transmission capacity and technology upgrades.

The regional metro networks connect the access networks in metropolitan areas and suburbs to the backbone, through regional point of presences. The 10 Gbps scalable metro Ethernet networks are built on top of DNA's own fiber-infrastructure and are fully secured and redundant. The access networks provide connectivity solutions for mobile base stations connections, fixed broadband FTTB/H, HFC coaxial-cable-termination and copper-cable xDSL. In addition, corporate VPN/MPLS networks enabled through the metro Ethernet network. In areas where DNA has no own fixed access networks, Ethernet capacity services provided by local operators are used in order to connect corporate customers and connection-based regional radio base stations. In areas where DNA does not have its own fixed access networks, DNA uses Ethernet capacity services provided by local operators or leases subscriber fibers in order to connect corporate customers and mobile network base stations to the core network.

DTT Network

DNA's wholly owned nationwide digital terrestrial network covers approximately 85 percent of Finnish households. The only two DTT networks in Finland are owned by DNA and Digita Oy. All transmission in DNA's DVB-T2 network is HD. DNA holds a license for three MUXs, which allow it to transmit 15 HD channels. All of DNA's SD channels are transmitted through MUXs held by Digita Oy (see "*—Material Agreements*"). High Efficiency Video Coding (**HEVC**) compression technology can double the DTT network multiplex capacity over the next three to five years. On November 12, 2015 the Council of State re-awarded to DNA terrestrial TV network licenses for said MUXs for a period of ten years as of May 17, 2017. DNA will continue to expand its channel offering and add new HD channels. Through its DTT network, DNA is able to offer DTT services and in particular nationwide TV service to areas not covered by its fixed network.

Core Network, Service Platforms and Data Centers

Modern, fully IP-based core networks route all customer communications and data traffic and connects the services through DNA's networks. DNA's core network combines high user capacity with good reliability and easy scalability. User throughput of 600 Mbps has been demonstrated successfully in the mobile communications and gigabit grade speed attainable in the fixed core network. DNA's network offers high definition mobile voice services and has the technical ability to offer VoLTE/VoWiFi speech services. In addition, DNA offers IPv6 services in all network domains (both fixed, mobile and HFC networks). 4G data roaming is supported both inbound and outbound. DNA was the first operator in Finland to adopt IPv6 support on a broad scale in 2015. DNA has already enabled IPv6 functionality for a total of 2.2 million consumer and corporate subscriptions.

Several service platforms providing value added services, such as unified communications, video and entertainment to DNA's customers, are connected through the IP core network. The state of the art corporate communication solution provides a secure cloud service with a geo-redundant technical architecture. It provides multi-channel agent dashboards with Voice, SMS, Email, Chat and Social Media channels for DNA's corporate customers. The platform allows integration to a wide portfolio of services such as O365, Salesforce, Mobile Presence, AD, Exchange, Skype for Business, Google, Facebook, Access Management Systems and CRM's. Other services are contact centre and corporate numbering services, Hunting Groups, IVR logics, Callback features and Conferencing to fulfil all of customers' Messaging and Contact Center requirements. WebRTC is available in IP Voice and Video to offer communication capabilities without browser plug-ins.

Video and entertainment services are provided TV OTT service architecture the Company considers the most advanced in Finland, which enables the viewing of extensive TV content everywhere in Finland. DNA TV app provided through the video service platform allows access to over 60 OTT live channels, enriched metadata as well as several SVOD and TVOD content libraries. The scalable Service Platforms makes advanced services such as Multi-DRM, Adaptive Bit Rate and PVR/Catchup available. DNA's user interface enables effortless use of TV and video services.

DNA has five core IT data centers (carrier neutral) through which it provides hosting and XaaS solutions to its corporate customers. The data centers also provide the infrastructure service for internal IT functions, common service platforms and future virtualized network functions. All of DNA's data centers have redundant optical fiber connectivity to the network and the backup sites.

Operational support systems

DNA's OSS architecture consists of Configuration, Performance and Fault Management solutions for all networks and services. The OSS tools consist of service monitoring and management systems, supporting automated supervision and direct event reporting. Modern data warehousing and deep data analytics are implemented to provide insight of customer experience and vision for service development. Smooth network operations and automatized customer processes, are achieved through complementary network inventory and location solutions.

Construction, Maintenance and Development

DNA outsources most of the network construction and maintenance services from three main service providers; Voimatel (fixed network, North-East and Northern Finland), Eltel (fixed network, South-West and South Finland) and Ericsson (mobile radio network, nationwide). However, key tasks regarding production of services,, such as concentrated network supervision and operations as well as network planning (except for radio network planning, which is outsourced to Omnitele Ltd), remain with DNA.

Licenses and Frequencies

DNA believes that it holds all necessary licenses to operate its business. See "*Industry and Market Overview*" and "*Regulation*". DNA has been granted licenses for mobile network operations on GSM, UMTS and LTE technologies for frequency bands 800 MHz, 900 MHz, 1800 MHz, 2100 MHz and 2600 MHz. DNA's mobile network licenses for 900 MHz, 1800 MHz and 2100 MHz expire on March 31, 2019, while the mobile network license for 2600 MHz expires on December 31, 2029 and the mobile network license for 800 MHz expires on December 31, 2033. DNA does not expect any material changes in relation to license renewal conditions.

In the 800 MHz auction held in 2013, DNA acquired mobile network license for 2x10 MHz of frequency bands for EUR 33.6 million. The 800 MHz auction price is paid in equal installments over a five year period from the beginning of the license term. In the Council of State decree for the upcoming 700 MHz auction, the payment of the auction price is also set to be paid in equal installments over a five year period from the beginning of the license term. DNA has acquired the required radio licenses necessary for the frequencies on which it transmits.

According to the Council of State decree for the 700 MHz auction, six 2x5 MHz frequency bands will be auctioned but any individual enterprise may be allocated no more than two such frequency band pairs. The minimum price in the auction for each of the 2x5 MHz frequency bands has been set at EUR 11 million. The 700 MHz band auction will commence on November 24, 2016, and the spectrum will be available for 4G use as of February 1, 2017. The preliminary license conditions require population coverage of at least 99 percent for 4G services. As at the date of this Offering Circular, DNA has already provided the required coverage utilizing its existing licenses, and thus new frequency bands may be used for capacity expansions, with no significant coverage area investments required. For more information see "*Regulation—Pending Regulatory Matters—Reallocation of the 700MHz Frequency Band to Mobile Use and Granting Network Licenses by Auction.*"

Suomen Yhteisverkko Oy jointly utilizes all frequencies of DNA and Telia Company. In addition, DNA and Telia Company have the possibility to negotiate on a case-by-case basis of the joint utilization through Suomen Yhteisverkko Oy of any new frequencies allocated to one or both of them in the future.

The following table shows the licenses and the amount of frequency spectrum DNA currently holds:

Frequency Band	Uplink Frequencies	Downlink Frequencies	Technology	Amount of frequency spectrum (in MHz)	Expiry
800 MHz	832–842 MHz	791–801 MHz	LTE	2 × 10.0	12/2033
900 MHz	880–891 MHz	925–936 MHz	GSM UTRA FDD	2 × 11.6	12/2019
1800 MHz	1735–1759 MHz	1830–1854 MHz	GSM UTRA FDD LTE	2 × 24.8	3/2019
1900 MHz	1905–1909 MHz(1)	1905–1909 MHz	UTRA TDD	4.8	3/2019
2100 MHz	1940–1959 MHz	2130–2149 MHz	UMTS, LTE	2 × 19.8	3/2019
2600 MHz	2500–2520 MHz	2620–2640 MHz	LTE	2 × 20.0	12/2029

(1) Uplink and Downlink in the same frequency.

All the frequency bands in the above table are nationwide (excluding the province of Åland). Overall, the amount of frequency spectrum DNA holds is 177.2 (in MHz). The licenses are set to remain in effect for fixed periods of time, and renewable mobile licenses cannot be reauctioned according to current Finnish law. Instead, licenses for new periods are granted through a comparative procedure.

DNA's DTT network licenses for MUXs VHF A, VHF B and VHF C, which expire on May 16, 2017, have been extended by a decision of the Council of State made on November 12, 2015. The new ten-year validity period begins on May 17, 2017 and expires on January 10, 2027. However, in June 2016 one operator relinquished the terrestrial TV network licenses for UHF MUXs B, C and D awarded to it for the period 2017–2026. These licenses will be reopened for applications, and the application period ended on October 12, 2016. Auctions have not been used to award TV spectrum.

Information Technology Systems

Overview

DNA's information technology systems support every aspect of its business, providing capabilities for customer front-ends, middleware and back-end solutions covering, among other things, the following fundamental areas:

- customer experience and self-service systems containing the main customer-facing elements for omnichannel trading, digital self-service, customer journey orchestration and automated next best action solutions;
- data management and analytics systems containing the information management and analytical capabilities for master data management, business intelligence, customer intelligence and market intelligence;
- business support systems containing the capabilities for digital and social marketing, sales and campaign management, enterprise resource planning, unified order management, billing, customer relationship management as well as support for clearing, roaming, MVNO and M2M activities;

- operations support systems containing the capabilities for network management, network inventory management, fault management, service order management, provisioning, mediation and workforce management; and
- support functions and basic information technology services for financial administration, employee collaboration, HR and administration.

DNA's information technology system architecture is evolving according to the digital and physical business needs. In 2015, DNA's online sales volumes in the Consumer segment increased by 85 percent, indicating the significance of enhancing customer experience and self-service systems and leading DNA to roll out a new modern online sales system and ERP during the second half of 2016. The new ERP system enables firmer integration of of digital services and physical retail store operations and thus better customer service. DNA's main objective in developing its IT architecture is to accommodate and boost new digital services and innovation rather than simply enhance and support the traditional business methods with a view of deepening its understanding of customers, improving customers' omnichannel experience, increasing operational agility and efficiency and building support for new data driven business models. Already in 2014 DNA renewed the targeted system architecture and organized its IT function close to the business units, improved agile working methods and started over 30 IT projects in order to build a new next generation digital business enabled IT platform. As at the date of this Offering Circular, a significant part of DNA's IT projects have been completed in the Consumer segment, including new omnichannel enabled platforms for online and retail stores. Further to this DNA is far on developing business-to-business variant of the same business support system solution already being used for Consumer segment business. DNA will start migration of the Corporate customers in the first quarter of 2017 and expects the process to be completed during 2019.

Key Principles of New Next Generation Digital Business IT Systems Architecture

End-user experience with trial and user based development

DNA's IT architecture development provides support for changing business and customer needs. Customers are a key focus in DNA's business strategy and thus the top tier in DNA's multi-tiered IT system architecture has been designed to boost and manage customer experience. The tier contains the main customer-facing elements such as customer portals and applications, omnichannel commerce support and means for orchestrating customer journeys all of which strive to adapt to the needs of the customers in real time.

Modularity

Modular service design seeks to manage cost, complexity and agility requirements. DNA has discarded large "one stop shop" technology stacks and favors individual solutions on best of breed technologies which are loosely dependent on each other. Many of the selected technologies have been created as a result of the recent rise of digitalization and are used whether or not they are cloud-based or in-house solutions. DNA believes a modular service oriented architecture, strong APIs and uniquely selected best of breed tools and technologies allow for fast development cycles and increased flexibility.

Open APIs

Continuous increase in the number of applications and services required by DNA's customers lead to requirements where DNA's architecture has to expose more and more data to open APIs in order to provide richer and more personalized experiences for customers and partners. DNA has recognized that open APIs promote innovation and allow DNA to bring new products and services to the market faster.

Data management, analytics and algorithms

Driven by varying customer demands and increasing expectations DNA faces an increasing need to turn "big data" into customer and business insight, automated next best actions and service innovation. To provide the best business value the data needs to be integrated with analytics engines, decision support and campaign management systems backed up with DNA designed and optimized algorithms for triggering personalized and context-aware campaigns in real time. DNA has put in place strong data management and analytics solutions for mastering the data, supported with strong real-time analytics capabilities for customer profiling and segmentation, business and customer intelligence, market intelligence and modern tools for managing digital marketing and next best actions in an automatic manner.

Catalogue-based order management

The complexities of order management and fulfillment continue to increase. DNA's various bundled services have evolved significantly and now comprise combinations of voice, SMS, data, devices, peripherals and a host of OTT services, supplied by a multitude of business partners. To expedite the launch and delivery of compelling new digital services in an efficient manner, DNA is implementing a unified catalogue driven Customer Order Management (COM) and Service Order Management (SOM) platform as part of the new IT architecture. The solution is guiding the orders from start to finish supporting high level of self-service and automation for customers, partners and DNA.

Behavior and network analytics

As part of the new data management and big data analytics solutions, DNA has implemented capabilities for tracking DNA's customers' behaviors in DNA's own online channels, analyzing the information in real-time and providing interfaces through which online applications are able to utilize the customer profiles and react while the customers are still in the analyzed context. To date, DNA has integrated and automated among other things customer behavior data collection from its own websites, contact center systems and the DNA TV app. The capabilities have been used in campaigns, which have generated major improvements in response rates and conversions.

Further to this, DNA has put in place big data enabled network analytics solution for enabling the measurement of all customer experiences based on metrics and events from DNA's network. Solutions can be used for predicting customer satisfaction, incorporate usage trends, location patterns and customer value indicators and correlate experience impacts with granular network and device events. This information can be then interpreted to determine the most probable cause and therefore the next best action to improve end user experience.

Omnichannel Customer Experience

DNA wants to improve its services by combining the opportunities of the digital and physical worlds. As an early trial DNA implemented click-and-collect features, enabling customers to reserve or buy a product online and then pick it up from a DNA store. These services were very well received nationwide and DNA continues expanding with selected omnichannel features that introduce added flexibility, experience and service for the customers. As part of the process DNA has already renewed its web shop on a best of breed omnichannel platform and is in process of gradually introducing completely new digital self-service channels for both consumer and corporate customers. DNA expects to introduce the first version of its new self-service channels by year-end 2016 within both Consumer and Corporate segments. DNA also intends to start offering new IP based communication solutions for its Corporate customers by year-end 2016.

Material Agreements Relating to DNA's Business

The following is a summary of certain material agreements relating to DNA.

- *Joint Operation with Telia Company.* In August 2014, DNA and Telia Company entered into a joint operation in connection with establishing a radio access network sharing cooperation through a jointly owned non-operative limited liability company in Finland, 49 percent of the shares of which are owned by DNA and 51 percent by Telia Company. The joint operation is limited to the construction and operation of the network infrastructure, and DNA and Telia Company each compete for their own customers. In connection with the joint operation, DNA and Telia Company entered into a shareholders' agreement governing the cooperation between DNA, Telia Company and Suomen Yhteisverkko Oy as well as the corporate governance of the company. According to the shareholder's agreement, the joint operation must be operated in cooperation with, and with the assistance of, both DNA and Telia Company. Any matters before the general meeting of shareholders require unanimous decision by DNA and Telia Company. The shareholders' agreement contains a change of control clause triggered by a person or entity of certain nationalities or domiciles outside of the European Economic Area (other than Switzerland, Australia, Canada or the USA) exceeding 20 percent ownership in either DNA or Telia Company, which could result in termination of the joint operation. In the event of a deadlock, the party initiating a deadlock procedure has a possibility to offer to terminate the joint ownership at a certain price, either by purchasing all shares held by the other party or by selling all its shares to the other party. DNA's share of the operation and maintenance costs of the joint operation's base capacity was 42 percent in 2015 and 40 percent in 2014. DNA's share of the base capacity costs of the joint operation will not exceed 50 percent (see "*Risk Factors—DNA faces risks relating to its joint operation Suomen Yhteisverkko Oy*").

- *Senior Facilities Agreement.* In 2015, DNA entered into a EUR 250 million senior facilities agreement with Nordea Bank Finland Plc, Danske Bank A/S, Pohjola Bank plc, Svenska Handelsbanken AB (publ) and Skandinaviska Enskilda Banken AB (publ), divided into a EUR 100 million senior facility and a EUR 150 million revolving credit facility. As at September 30, 2016, the entire revolving credit facility was unused. The agreement contains financial covenants on permitted leverage ratio and solvency ratio as well as certain limitations on disposal of assets.
- *Agreements in relation to Bonds.* DNA has issued two unlisted, unsecured bonds, one of EUR 150 million in November 2014 and one of EUR 100 million in November 2013. The bonds contain negative pledge covenants, limitations on permitted secured indebtedness and cross default and change of control clauses. The bond issued in 2013 matures in November 2018 and the bond issued in 2014 matures in March 2021. Both of the bonds are fixed rate.
- *Placing Agreement.* The Company expects that it will, on or about November 29, 2016, together with the Institutional Sellers, enter into the Placing Agreement with the Managers with respect to the Offering. For additional information on the Placing Agreement, see "*Plan of Distribution—Placing Agreement*."

The following is a summary of certain material contracts categories relating to DNA's business.

- *Transmission services agreement.* DNA has entered into a cooperation agreement with Digita Oy to provide DNA with access to terrestrial transmission capacity for the purpose of distributing TV channels. DNA's SD channels are transmitted through UHF MUXs held by Digita Oy. As at the date of this Offering Circular, Digita Oy holds licenses to MUXs UHF A, UHF E and UHF F. In addition, MINTC announced on November 10, 2016 that Digita Oy was awarded licenses to MUXs UHF B, UHF C and UHF D for a period from May 17, 2017 to January 10, 2027. See also: "*Risk Factors—Risks Related to DNA's Operating Environment and Business—DNA is subject to governmental licensing required for conduct of its operations, and the loss of, or failure to attain licenses may have a material adverse effect on the business.*" The agreement will expire in December 31, 2019, unless extended by the parties.
- *General Technical Supply Agreements.* DNA has entered into technical supply agreements with various parties that relate mainly to the supply and provision of different network and IT hardware, software and services. DNA's material supplier agreements include those with the following vendors: Oy LM Ericsson Ab, Oy International Business Machines Ab, Alcatel Lucent Suomi Oy, Hewlett Packard Oy, Oracle Finland Oy and Santa Monica Networks Oy.
- *Supply Agreements for Equipment.* DNA has entered into agreements enabling DNA to resell Apple Inc.'s iPhone and iPad devices, Huawei's handsets and accessories as well as Samsung's handsets and tablets, among others. The agreements are generally effective for fixed periods. The agreements with Apple contain certain commitments on DNA's part with respect to minimum order quantities and marketing spend in relation to Apple products and they allow Apple to terminate the agreements at its sole discretion following a notice period.
- *Billing Systems and CRM.* DNA has in November 2012 entered into an agreement with Qvantel Oy, concerning delivery of a customer care and billing system and related services in use in DNA's Consumer segment. The agreement was valid for an initial term of three years and extended in October 2015 for two further years. In addition, DNA has in August 2015 entered into an agreement with Qvantel concerning delivery of a customer care and billing system and related services in use in DNA's Corporate segment. The agreement is valid for an initial term of six years with an objective of replacing the current billing solutions and implementing a unified billing solution for DNA's businesses.
- *Distribution Agreements.* DNA has contractual relations with third-party representatives who sell DNA's products and services, including selected retail merchandisers and electronic chains throughout Finland, including the consumer electronics retail chains Gigantti and Power. DNA's agreements with distributors generally follow the model of its standard distributor partner agreement. DNA's distributor agreements are usually entered into for an indefinite period and may be terminated by either party by giving six months' notice. The agreements include customary provisions on distributors' entitlement to commission, subsidies and marketing obligations.

- *Distribution Agreements with Broadcasters and Content Providers*. DNA has entered into agreements with broadcasters and other content providers for providing and distributing TV channels, TV channel packages and TV program libraries. DNA has also entered into agreements for sourcing a video-on-demand service and a streaming music service. See "*Risk Factors—DNA does not have guaranteed access to television content and is dependent on its relationships and cooperation with content providers and broadcasters*".
- *Customer Agreements.* DNA's material customer agreements include agreements with large enterprises, municipalities, housing associations and big rental companies. For the year ended December 31, 2015, DNA's top 50 customers generated less than 5 percent of total revenues for the year, indicating a well-diversified customer base. For the six months ended June 30, 2016, the 50 largest customers generated 29 percent of the Corporate segment revenues. DNA has recently entered into a four-year contract worth approximately EUR 5 million with the City of Tampere and a three-year contract worth approximately EUR 3.5 million with YLE. Through the contracts with the City of Tampere and YLE, DNA is gaining approximately 17,000 new mobile handset and mobile broadband subscriptions and approximately 3,500 new mobile subscriptions, respectively. The deliveries for the City of Tampere and YLE have not started as at the date of this Offering Circular.

Legal Proceedings

DNA is from time to time subject to legal proceedings. Below is a description of the pending legal proceedings that DNA considers material. From time to time, DNA is also subject to official audits and investigations, some of which may result in proceedings being instituted against DNA. DNA also regularly faces customer complaints of small financial interests that cannot be settled between the parties. Such complaints are regularly escalated by consumers, mainly to the Finnish Consumer Disputes Board or the Office of the Data Protection Ombudsman. Although DNA's general terms and conditions for consumer customers have been drafted based on cooperation with FICORA and the Finnish Consumer Authority, DNA considers a certain number of pending consumer disputes to be unavoidable due to the nature of its business. During 2015, DNA faced around 65 consumer disputes that were escalated to the Finnish Consumer Disputes Board. The consumer disputes, taken as a whole, if adversely decided, do not have a material adverse effect on DNA's business, financial condition or results of operations.

As at the date of this Offering Circular, the handling of the trademark dispute between Deutsche Telekom AG and DNA is pending in the Helsinki District Court and the Market Court. Pleading the EU trademark registration 212787, Deutsche Telekom AG filed an action in the Helsinki District Court in January 2008, requesting that DNA be denied the use of a mark, color or their combination that would infringe Deutsche Telekom AG's EU trademark 212787 consisting of the color magenta in its operations. In its counterclaim of October 2008, DNA demanded that the EU trademark 212787 be declared invalid. The infringement action was suspended until a final decision in the invalidity action would finally be decided.

In its ruling issued in August 2009, the Helsinki District Court suspended the counterclaim because complaints about the validity of the EU trademark 212787 were simultaneously being handled in three processes outside Finland. Deutsche Telekom AG notified the Helsinki District Court in spring 2013 that the matters impeding the continuation of the process have been resolved.

Deutsche Telekom AG has requested that the Helsinki District Court refer certain questions for preliminary ruling by the Court of Justice of the EU. In September 2015, the Helsinki District Court informed that it will not refer the questions for preliminary ruling by the Court of Justice of the EU at this stage of the proceedings. According to the Helsinki District Court, the request for a preliminary ruling will be resolved once the preparatory stage of the proceedings has been completed.

In February 2016, DNA filed an action in the Market Court against Deutsche Telekom AG and its three T-Systems subsidiaries. DNA requested that the companies be denied the use of color pink or magenta, which would infringe DNA's established exclusive rights to certain shades of pink or EU trademarks or other DNA's registered or established trademarks, or which would against the Unfair Business Practices Act (1061/1978) cause a risk of confusion with DNA or its services, marketing, trademarks or other distinctive marks, or which takes advantage of the reputation or recognizability of such trademarks or other distinctive marks in an unfair manner or damages them. However, Deutsche Telekom AG has contested DNA's claim of its established exclusive rights to certain shades of pink. As at the date of this Offering Circular, the matter is pending in the Market Court.

Telia Company has filed a complaint regarding a contract awarded to DNA by KL-Kuntahankinnat Oy concerning services for the city of Tampere. The value of the contract is approximately EUR 5 million. According to Telia Company's claim, DNA should be disqualified from the procurement process due to lacking customer references. DNA and KL-Kuntahankinnat Oy deem the claim to be without merit. The Market Court has rejected the claim in its decision on October 18, 2016. However, the claim has delayed the start of the project, and as at the date of this Offering Circular, the appeal period concerning the decision of the Market Court is pending.

In addition, Trade Union Pro has filed actions in the Labour Court against Service Sector Employees PALTA Ry in October 2016 and November 2016 concerning the salary class of certain of DNA's ICT sector employees based on the competence classification of their position. The matters are pending as at the date of this Offering Circular.

DNA is from time to time a participant in various administrative planning and building permit disputes, mostly in connection with mobile base station sites.

DNA is from time to time subject to various other legal proceedings arising in the ordinary course of business, none of which DNA believes would have a material adverse effect on DNA business, financial conditions or results of operations. Many of such legal proceedings are related to public procurement processes, as it is common that many disputes relating to public procurement cases are finally settled by the Finnish Market Court.

Corporate Social Responsibility and Environmental Matters

DNA is committed to continuously develop its operations in a manner that takes in to account its environment and interest groups. DNA strives to minimize adverse environmental impacts and is committed to decrease greenhouse emissions by undertaking the Society's Commitment to Sustainable Development as the first MNO in Finland.

DNA endeavors to ensure the efficient use of materials and energy, recycling, minimizing waste and ensuring compliance with relevant environmental laws. DNA emphasizes the durability, life cycle and recovery of materials throughout its supply chain. Materials are recycled and waste is sorted at DNA's sites and retail outlets. DNA is reducing its travel needs and paper consumption by favoring new communication solutions.

DNA's operations are generally not subject to obligations to obtain environmental permits (other than zoning permits), licenses and/or authorizations, or to provide prior notification to the appropriate authorities. DNA acknowledges and assesses environmental risks in its risk management process.

DNA considers it important to recognize the environmental impacts and risks of its business, and to adapt operations according to the principles of sustainable development. DNA continuously develops operational energy efficiency by means of e.g. upgrading the radio network technologies.

Corporate Social Responsibility Strategy

DNA's corporate social responsibility (**CSR**) strategy and objectives were updated in 2015. The customer is now even more at the core of DNA's corporate responsibility. DNA also specified climate objectives for its business. DNA's CSR strategy comprises three areas: the customer, the society and meaningful work.

As part of the CSR of the customer area, DNA aims to look after the customer. DNA must understand what the customer needs and provide suitable solutions. The customer understands what can be achieved with DNA's services and is aware of key issues in the digital world. DNA's CSR objectives for the customer area are to act as an enabler in the society, making customers' lives more inspiring, productive and entertaining while also preventing digital exclusion. DNA has for example been educating young users on safe use of the Internet and mobile phones for several years.

As part of the CSR of the society area, DNA aims to play a significant role in society by providing important communication connections and maintaining infrastructure that is critical to the operation of the society. DNA's CSR objectives for the society area are to reduce its total emissions by 15 percent by 2020 from the levels reported in 2014 and to improve the energy efficiency of its radio network and to reduce emissions from its radio network in proportion to annual data transfer volumes by 80 percent by 2020 from the levels reported in 2014. DNA moved to electricity produced solely from renewable resources in its direct electricity procurement in November 2015. DNA estimates that the usage of renewable energy reduces the indirect greenhouse gas emissions from DNA's own energy consumption by 40 percent by the end of 2016, which equals about 13,000 tonnes less greenhouse gases per year.

Personnel Satisfaction

DNA believes that satisfied employees are fundamental in order for it to be able to provide high quality customer service. According to the Great Place to Work survey in 2015, DNA's personnel satisfaction was 67 percent (Trust Index total points) in 2015, increasing from 60 percent (Trust index total points) in 2014. According to the Great Place to Work survey in 2015, a total of 78 percent of DNA's employees considered DNA as an overall great place to work (69 percent in 2014).

DNA provides employees with a wide selection of healthcare and medical services in excess of the level required by law. DNA personnel can avail themselves of health services provided by, for example, specialists, gynecologists, occupational physiotherapists and psychologists. DNA also offers its employees an accident insurance for recreational activities.

Responsibility in Supply Chain

DNA applies responsibility throughout the value chain from infrastructure investments and purchases to the final product and service delivered to the customer. Over the past years, the company has enhanced responsibility in the supply and delivery chains and also taken into account the needs of end users as regards for example the recycling of mobile devices.

DNA also expects its partners to take economic, environmental and social responsibility into consideration in their operations. DNA has enforced a Supplier Code of Conduct since 2012. The Supplier Code of Conduct is applied to all new supplier agreements and also obligates the supplier to require its subcontractors to comply with the same principles.

Group Legal and Organizational Structure

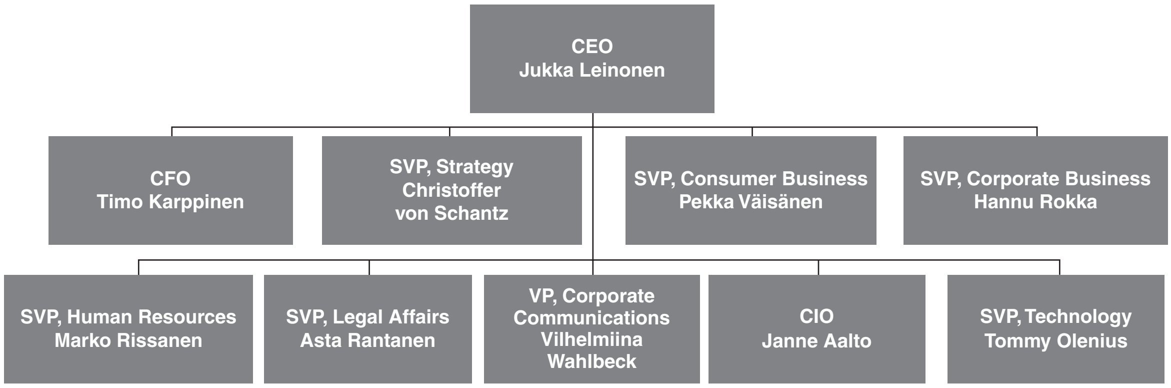
The following sets forth DNA's group structure as at September 30, 2016:

Subsidiaries	Ownership
DNA Kauppa Oy	100 percent
DNA Welho Oy	100 percent
Huuked Labs Oy	100 percent
Forte Netservices OOO	100 percent
Joint operations	
Suomen Yhteisverkko Oy	49 percent
Associated companies	
Suomen Numerot Numpac Oy	33 percent
Kiinteistö Oy Siilinjärven Toritie	38 percent
Kiinteistö Oy Otavankatu 3	36 percent

DNA Oyj is the parent company of the DNA group. DNA Oyj is the main operative company in the DNA group. DNA's own retail stores are operated through its subsidiary DNA Kauppa Oy. DNA's TV and video services and fixed broadband services are operated through DNA Welho Oy, which holds TV licenses for VHF network. Huuked Labs Oy does not currently have business operations. Forte Netservices OOO provides services for DNA's corporate customers in Russia. Suomen Yhteisverkko Oy is a joint operation with Telia Company, and DNA recognizes its share of the entity's assets, liabilities, revenues and expenses in its consolidated financial statements. DNA's share of the operation and maintenance costs of the joint operation's base capacity was 42 percent in 2015 and 40 percent in 2014. DNA's share of the base capacity costs of joint operation will not exceed 50 percent.

In addition, DNA has three associated companies: Suomen Numerot Numpac Oy, Kiinteistö Oy Otavankatu 3 and Kiinteistö Oy Siilinjärven Toritie. Suomen Numerot Numpac Oy provides number portability services in mobile network and fixed network, whereas Kiinteistö Oy Otavankatu 3 and Kiinteistö Oy Siilinjärven Toritie are real estate companies holding the shares for property in Kuopio and Siilinjärvi, respectively.

The following sets forth DNA's organizational structure as at September 30, 2016:



Employees and Pension Obligations

The table below sets forth the number of full time employees DNA employed as at the dates indicated:

Personnel by business segment

	As at September 30,	As at December 31,		
	2016	2015	2014	2013
Consumer segment	1,002	1,000	1,039	1,104
Corporate segment	667	672	709	459
Total personnel	**1,669**	**1,672**	**1,748**	**1,563**

The number of personnel grew substantially in June 2014 when DNA acquired TDC Finland. As a result, 244 employees were transferred to DNA. The decrease in personnel in 2015 compared to 2014 is due to co-operation procedures in 2014 following the acquisition of TDC, with certain employment contracts terminating accordingly in 2015. In addition to permanent employees, DNA also uses external labor as a significant personnel resource. The share of agency employees is large at DNA's retail stores and telemarketing. The number of contract employees, part time or full time, as at September 30, 2016 was 1,659. As at September 30, 2016, approximately 1/3 of all employees worked in customer service.

Applicable collective labor agreements are applied in relation to each specific employee category of DNA's staff. Service and production employees are covered by the collective labor agreement in the electrical engineering-energy-ICT-networks sector, and salaried and senior salaried employees by the collective labor agreements for salaried and senior salaried employees in the ICT sector. The current collective bargaining agreement for ICT-sector employees is in force until January 31, 2017, and a new collective bargaining agreement is expected to enter into force for the period February 1, 2017 to January 31, 2018. The current collective bargaining agreements for the ICT sector salaried and senior salaried employees are in force until October 31, 2017.

DNA's employees' pension plans are managed by external insurance companies. The Finnish statutory pension insurances are managed as defined contribution plans by the pension insurance companies.

During 2015, DNA's pension expenses of defined contribution plans amounted to EUR 15.9 million, in 2014 to EUR 14.6 million and in 2013 to EUR 12.2 million.

DNA believes that its employee relations are good. DNA has not experienced any labor-related work stoppages since 2010 apart from a nationwide one-day political work stoppage in 2015 targeted at the Finnish Government and its intention to change labor legislation.

Property and Leases

DNA currently uses 26 office premises and 64 stores. In addition, DNA uses four stores that have been put into practice together with Samsung (Samsung Experience Stores). DNA leases all of the store area of its own shops and 24 of its office premises, including its headquarters in Helsinki. DNA owns the remaining two office premises, both of which are located in the Helsinki metropolitan area. DNA categorizes its equipment facilities as critical, large or small equipment facilities according to their significance. DNA has approximately 20 critical equipment facilities, approximately 100 large equipment facilities and thousands of small equipment facilities in different parts of Finland. Nearly all of DNA's equipment facilities are leased.

DNA currently owns all base station equipment in its own network. The base station equipment in the joint operation's area is fully owned by Suomen Yhteisverkko Oy. DNA generally leases the antenna sites from their respective owners and has also entered into joint use or similar agreements with the respective owners of certain antenna sites.

Intellectual Property

DNA has registered its most important trademarks, including DNA, Welho and DNA KAUPPA, in Finland and in the EU through EU trademarks. Some trademark applications are currently pending in the Finnish Patent and Registration Office. DNA does not own any registered patents or copyrights that DNA considers to be material to its business as a whole. DNA has granted various parties, including distributors in its indirect channels, content providers for the mobile market and MVNOs licenses to use DNA's registered trademarks and/or name. Such licenses generally relate to marketing and other cooperation agreements, TV channel and other content supply and distribution, sales representation and wholesale. As set forth above, DNA is currently involved with Deutsche Telekom AG in a trademark dispute. See "*Legal Proceedings*."

Insurance

DNA's insurance policies provide for insurance coverage that DNA believes is consistent with customary industry practices, including insurance for property, business interruption, professional indemnity (such as products and services liability), corporate liability against claims from third parties for loss arising from errors and omissions, directors and officers liability insurance, commercial crime insurance, certain mandatory property insurance and additional pension insurance.

REGULATION

Overview

The telecommunications market in Finland is subject to industry-specific and general statutory regulation and supervision by various Finnish authorities, including the MINTC and FICORA. MINTC is responsible for the drafting of political and strategic guidelines and legislation in the transport and communications sector. MINTC supervises and guides FICORA's operations, and it must be consulted by FICORA in certain matters deemed important for the general development of the communications market. FICORA is an important regulatory authority entrusted with the responsibility to e.g. arrange mobile communications network license auctions, administrate radio frequencies and grant certain licenses. The key regulatory framework is set forth e.g. in the ISC and its associated provisions.

Finland is a member of the EU and therefore subject to EU telecommunications regulations and directives. The current EU's regulatory framework for electronic communications consists of directives and regulations which apply throughout the EU member states (the directives being the Framework Directive (Directive 2002/21/EC), the Access Directive (Directive 2002/19/EC), the Authorisation Directive (Directive 2002/20/EC), the Universal Service Directive (Directive 2002/22/EC) and the Directive on Privacy and Electronic Communications (Directive 2002/58/EC), and the regulations being the Regulation on Body of European Regulators for Electronic Communications (**BEREC**) (Regulation (EC) No 1211/2009) and the Regulation on roaming on public mobile communications networks (Regulation (EU) No 531/2012), which has been amended by the Roaming Regulation. In May 2015, the European Commission presented its so-called Digital Single Market agenda and launched a review of the regulatory framework for electronic communications. On September 14, 2016, the European Commission published its proposal for the reform of the framework for electronic communications. The EU Digital Single Market strategy and legislative work will have an impact on the operating environment of DNA.

Telecommunications Industry Regulation

General

The ISC and its associated rules set forth the general framework for the transmission of information by fixed network and mobile telecommunications. The ISC regulates the supply of all fixed and mobile voice transmission, broadband data transmission and the transmission of television and radio programs.

The ISC aims to promote services within telecommunications networks, as well as to ensure that telecommunications networks and services are available nationwide on reasonable terms. Additionally, the ISC aims to ensure that Finnish telecommunications services meet the reasonable needs of consumers and are competitive, technologically advanced, of high quality, reliable, safe and inexpensive. Further, the ISC aims to secure the efficient and interference-free use of radio frequencies. To achieve these aims, the ISC includes provisions requiring telecommunications service providers to acquire licenses for certain activities. In addition, FICORA regulates the telecommunications market, for instance by issuing specific obligations for telecommunication service providers that have significant market power and by requiring telecommunications companies to provide universal services in designated geographic areas. The ISC also includes provisions on the rights of consumers and certain limitations on telecommunication service providers' sales, such as restrictions on bundling of mobile subscriptions and devices for their use.

Access Regime

Pursuant to the ISC, FICORA declares an operator to be an operator with significant market power (**SMP**) if that operator is seen in a particular market to exert economic influence that allows it to operate, to a considerable extent, independently of competitors, consumers or other users. In an SMP decision, FICORA sets out obligations for the telecommunications service provider specific to its particular services or markets and geographical territories.

As at the date of this Offering Circular, FICORA has issued five SMP decisions concerning DNA's certain services in the SMP market, whereas direct consumer sales fall outside the scope of the SMP decisions. The terms and conditions in agreements with wholesale customers must take into account the applicable SMP decisions. The SMP decisions regulate the following areas of DNA's wholesale services:

- call termination on individual fixed telephone networks;
- call termination on individual mobile networks;

- access to the fixed network, namely unbundled access to the local loop (both fiber and copper loops);
- wholesale fixed broadband services; and
- wholesale access to local leased lines.

The SMP decisions impose conditions on DNA's interactions with wholesale customers, such as interconnection obligations and transmission capacity rental requirements as well as requirement for DNA to publish applicable tariffs and contract terms. Several decisions include additional obligations on non-discriminatory and cost-oriented pricing.

Also, price caps are included in two of the SMP decisions issued with respect to DNA. In August 2015, regarding mobile voice call termination, FICORA issued DNA, as well as other SMP operators including Elisa and Telia Company, a decision setting a maximum price for MTRs for the duration of three years as of December 2015. The maximum price applicable on all relevant SMP operators was set to 1.25 eurocents per minute and it decreased MTR fees charged between operators by a third. However, MTR fees are still higher than recommended by the European Commission.

In addition, the SMP decision on market for access to fixed network (local loop) issued with respect to DNA in 2012 includes price caps, the levels of which are yet to be separately decided by FICORA. In April 2015, FICORA issued decisions setting price caps on local loop connections. The price caps entered into force on June 1, 2015. On July 6, 2015, the Supreme Administrative Court stayed the execution of FICORA's price cap decisions, following which DNA returned to using the local loop connection prices in force prior to May 30, 2015. In July 2016, the Supreme Administrative Court dismissed FICORA's decision concerning price caps. The decision was based on the grounds that in determining whether the pricing was cost-oriented, FICORA had erroneously applied the parameters set forth in the ISC, rather than the less stringent rules of the repealed Communications Market Act (393/2003), which were in force and applicable in 2012 when the SMP decision was initially adopted. The Supreme Administrative Court returned the matter to FICORA, which may either issue new decisions based on the 2012 SMP decisions or issue new SMP decisions based on new market analyses.

FICORA has also issued SMP decisions regulating wholesale services with respect to other fixed network operators.

Universal Services

All consumers and businesses are entitled to obtain basic communications services, so called universal services, to their place of residence or place of business. The ISC regulates that universal services must be reasonably priced and provided within a reasonable delivery time. In case the availability of universal services is insufficient in a certain geographical area, FICORA designates a telecommunications operator as a universal service operator to ensure provision of telecommunication services in the area.

FICORA has designated DNA as a universal service operator in certain Finnish territories. Universal services include the following:

- telephone subscriber connections that allow emergency calls, out- and in-bound domestic and international calls as well as the use of other customary telephone services (current applied territories for these services are certain postal code areas of Inari/Utsjoki (postal codes 99870 and 99800);
- internet subscriber connections with a minimum connection speed which has been set in the regulation 439/2015 (LiikMA tarkoituksenmukaisen internetyhteyden vähimmäisnopeudesta yleispalvelussa) and is currently a download speed of 2 Mbps, or 1.5 Mbps during 24 hour period of which at least 1 Mbps is during any 4 hour period; current applied territories for these services are certain postal code areas of the following municipalities: Inari/Utsjoki (postal codes 99870 and 99800), Savukoski/Sodankylä (99640), Sodankylä (99520), Enontekiö (99430), Salla (98980 and 98960), Savukoski (98830), Pelkosenniemi (98570), Pudasjärvi/Puolanka (93350), Suomussalmi (89670) and Puolanka (89320);
- internet connections for the hearing- and speech-impaired enabling video call services and remote interpreting services with a symmetric download/upload speed of 512 KBbps (current applied territories for these services are certain postal code areas of Inari/Utsjoki (postal codes 99870 and 99800), Sodankylä (99520), Enontekiö (99430), Salla (98980), Savukoski (98830), Pelkosenniemi (98570), Pudasjärvi/Puolanka (93350) and Suomussalmi (89670); and

- subscriptions for the hearing- and speech-impaired allowing them to send and receive SMS messages for emergency services (current applied territories for these services are certain postal code areas of Inari and Utsjoki (postal codes 99870 and 99800).

FICORA regularly monitors the realization of universal service and supervises that the designated universal service providers comply with the obligations imposed on them. FICORA also monitors the pricing of universal services and compares the pricing to the general price level of communications services. A universal service operator may refuse to supply a particular user when the user has been indicted or sentenced for disrupting communications using a telecommunications service provider's subscriber connection during the previous one year period or has outstanding, matured and undisputed debts incurred from the use of the universal service provider's subscriber connection.

Fixed Broadband and Voice Regulatory Environment

Fixed broadband and voice telecommunications services are largely liberalized in Finland. Any telecommunications providers may, after filing a telecommunication notification to FICORA, offer fixed voice and broadband services, basing their services either on their own fixed network or on other providers' networks by means of interconnection or access agreements. The access regime, as discussed above, may be invoked to use other providers' networks to offer a wide range of telecommunications services without requiring any licenses. The providers may use certain parts of SMP providers' networks at regulated conditions and/or prices. DNA has filed the required notification of its telecommunication services.

Pursuant to the regulatory framework, all telecommunications providers are free to set their wholesale and retail prices for fixed broadband and voice telecommunications services, with the exception of the wholesale pricing obligations set out in the SMP decisions. Pricing obligations set forth in the SMP decisions are mainly *ex post* regulated, except for the termination of calls on mobile networks for which FICORA has introduced *ex ante* price caps, and the market for access to the fixed network (local loop) for which FICORA based on its 2012 SMP decision with respect to DNA is authorized to introduce price caps.

Mobile Regulatory Environment

Similar to fixed broadband and voice services, mobile service operators and MVNOs do not require any licenses but are under the obligation to file a telecommunications notification to FICORA.

Mobile telecommunications network providers must obtain a network license for their operations and the use of certain radio frequencies. Network licenses are generally granted by the Council of State, while FICORA issues corresponding radio licenses. In the past, the mobile telecommunications network licenses have typically been granted on a discretionary basis. In the event of multiple competing applications, the network licenses are granted to the mobile telecommunications service provider whose operations best promote the objectives of the ISC. According to the ISC, the Council of State may decide to grant the licenses by auction only when new frequencies become available for mobile use. The 2500 MHz and 800 MHz frequency bands have been granted by auction and the upcoming auction of 700 MHz band has been announced.

As the licenses are set to remain in effect for a fixed period of time, they can be revoked or cancelled only on grounds provided by the ISC. According to the ISC, the Council of State may cancel a mobile network license, in part or in whole, if:

- the license holder has repeatedly and seriously violated the provisions of the ISC or the applicable license terms set out in the ISC;
- the license holder no longer has sufficient economic resources to meet its obligations in consideration with the nature and extent of its operations;
- the network for which the license was granted is not used for operations for which the radio frequencies were intended; or
- the license holder has not commenced such operations, which the license demands, within two years of the start of the license period.

In addition, mobile network licenses may only be transferred within the group of undertakings. Such intra-group transfers must be notified immediately to the Council of State licensing authority. Inter-group transfers are prohibited and may lead to the cancellation of the licenses under the ISC. Should a mobile network license be cancelled, the related radio licenses may also be cancelled at the same time. The licenses granted by auction may be leased to third parties in full or in part. Such leasing requires authorization from the Council of State.

According to the ISC, the Council of State may also cancel a mobile network license if the effective control of the license holder changes, and a license holder must notify the licensing authority of any such change immediately. The Council of State shall decide on whether to cancel the license within two months of the notification. The Council of State may decide to not cancel the license if it is apparent that: 1) the requirements for granting a license have been met; and 2) operations continue according to the license terms. The license holder may request the Council of State to inform in advance of the effect the change in the effective control will have on the license. The Council of State shall issue a decision within two months of the application. Without prejudice to the aforementioned, the Listing does not trigger further action with respect to the licensing authorities.

Mobile telecommunications service providers are free to set their prices at fair market rates with two main exceptions: first, the SMP obligations as explained above, which primarily concern wholesale pricing of mobile voice call termination; and, second, international roaming rates within the European Union (please refer to section "*—Pending Regulatory Matters—Roaming Regulation*" below).

TV Regulatory Environment

General

Also TV and video business is subject to the Council of State's and FICORA's licenses and supervision. The provision of TV content and terrestrial network services is generally subject to either a license or a notification. A network license is generally required to provide network services in a digital terrestrial TV network. However, cable TV services are exempt from license requirements and are merely subject to a notification, which DNA has provided at the start of its cable TV operations. Broadcasters who provide TV content in digital terrestrial TV networks generally need a programming license.

A network license by the Council of State is required for the provision of terrestrial TV network services. Terrestrial TV network licenses are awarded in MUXs, which have different coverage and technical requirements. In addition, a radio license issued by FICORA is needed for each transmitter. DNA currently holds three terrestrial TV network licenses granting exclusive rights for the use of MUXs VHF A, VHF B and VHF C. On November 12, 2015 the Council of State re-awarded to DNA terrestrial TV network licenses for said MUXs for a period of ten years as of May 17, 2017. DNA has entered into a cooperation agreement with Digita Oy to provide DNA with access to digital terrestrial television network transmission capacity for the purpose of distributing TV channels. Digita Oy currently holds licenses to UHF MUXs UHF A, UHF E and UHF F. As a consequence of Norkring AS announcing in June 2016 that it relinquishes UHF MUXs B, C and D that it had previously been awarded, the licenses for these UHF MUXs were announced for re-application. MINTC announced on November 10, 2016 that Digita Oy was awarded licenses to MUXs UHF B, UHF C and UHF D for a period from May 17, 2017 to January 10, 2027. TV network licenses are granted in a comparative procedure. The current legislation does not allow the use of auctions to award TV licenses.

Grounds for revocation and cancellation of TV network licenses are the same as for mobile network licenses, as described above. Also, equivalent to the mobile network licenses, the inter-group transfer of TV network licenses is prohibited and may lead to the cancellation of the relevant licenses under the ISC. Should a TV network license be cancelled, the related radio licenses will eventually also be cancelled. According to the ISC, the Council of State may cancel a TV network license if the effective control of the license holder changes. The license holder must notify the licensing authority of any such change immediately. However, the license holder may request a binding ruling on the effect of a change of control on its license by the Council of State prior to the change of control. Such a ruling would remove uncertainty as to whether the license holder's TV network licenses will stay in force in the event of a change of control.

Must Carry

DNA is under a so-called "must carry" obligation set forth in the ISC, which requires DNA to transmit certain nationwide television channels' programs on its cable network. These channels and programs include the Finnish Broadcasting Company's (**YLE**) public service television and radio programs and other freely accessible general interest television programs. These channels and programs must be transmitted without any additional cost to the receiver and without any encryptions.

Must carry obligations concerning channels other than those of YLE's, including MTV3 and Nelonen, are going to expire. Because of a discrepancy in the implementing provision (section 351) and the transitional provision (section 352) set forth in the ISC, it currently remains unclear whether the must carry obligations concerning MTV3 and Nelonen will expire by the end of 2016 or when the licenses for TV operations of public interest pursuant to the ISC section 26 enter into force in 2017.

Since the amendment of the Copyright Act (*tekijänoikeuslaki 404/1961*) in June 2015, DNA is subject to an obligation to remunerate the author for the retransmitting, unless DNA demonstrates that the remuneration has already been paid in the context of obtaining the transmission rights.

Consumer Protection

In Finland, telecommunications service providers are subject to both general consumer protection regulation, set out in the Consumer Protection Act (*kuluttajansuojalaki 38/1978*), and consumer protection regulation under the ISC. For telecommunications service providers, the regulations concerning marketing conduct are generally the most relevant parts of the Consumer Protection Act. The ISC regulates the relationship between telecommunication service providers and their customers, including, for example, the following situations:

- for fixed term subscriptions, the ISC provides that fixed term subscriptions cannot bind the consumer for more than two years;
- the ISC allows telecommunication service providers in connection with tie-in sales, which are the sales of a phone and subscription, to use operator-specific SIM cards that prevent the phone from being used with another operator's SIM card. However, the locking must be removed at the request of the consumer without delay after the expiry of the subscription, and without any additional costs for the consumer; and
- any sales efforts for mobile phone subscriptions to consumers via telephone calls are prohibited unless the consumer has explicitly opted into such marketing. However, the ISC allows marketing efforts by a telecommunications service provider to its existing mobile phone subscribers.

Data Protection and Information Security

Telecommunications service providers are subject to the data protection laws laid out by the ISC and the Finnish Personal Data Act (*henkilötietolaki 523/1999*).

The Personal Data Act, Finland's implementation of the EU's Data Protection Directive (95/46/EC), sets forth the general rules on collection, use and dissemination of personal data including customer data. In April 2016, the EU published the new GDPR which goes into effect on May 25, 2018, and as a consequence the Finnish Personal Data Act will likely be repealed on said date. The most notable changes to the existing regime include:

- the rights of the data subject and control over information about the data subject become more extensive; in the event of a personal data breach, a company must inform authorities and relevant data subjects within 72 hours of the detection of the breach;
- written agreements must be concluded with external service providers who process personal data; and
- national supervisory authorities are granted power to impose financial penalties for non-compliance with the requirements of the regulation with non-compliance potentially being subject to penalties up to EUR 20 million, or 4 percent of the total worldwide annual turnover of the breaching party, during the preceding financial year.

The ISC regulates electronic communications, including the processing of traffic data, location data, data security measures and rules on electronically conducted direct marketing, such as opt-in consent requirements for email and SMS marketing. The ISC also provides for strict communication privacy and confidentiality rules that apply to the traffic data, including metadata, that is processed as part of providing communications services. In particular, the ISC provides that a telecommunications operator must notify FICORA, without delay, of significant violations of information security in its network services, communication services or any other information security threats to such services that come to the attention of the telecommunications operator. The telecommunications operator shall also notify FICORA of consequences of security violations, measures undertaken to prevent the reoccurrence of such violations and threats of such violations.

Regulatory Fees

A yearly information society fee is collected from all telecom operators that must submit a telecommunications notification or apply for a network license. The amount of the fee is 0.12 percent calculated from the operator's telecom turnover accrued in Finland.

Mobile network licenses and TV network licenses carry a fee. The mobile network licenses that have been awarded in a competitive process since the entering into force of the ISC on January 1, 2015 are subject to an annual market based spectrum fee, the amount of which depends e.g. on the amount and value of the spectrum awarded. The mobile network license fees for auctioned licenses are paid in annual installments. The market based spectrum fee only applies to licenses that have been granted after the entry into force of the ISC on January 1, 2015. Since the ISC entered into force, DNA has been required to pay market based spectrum fees for the use of VHF MUXs A, B and C for purposes other than TV operations of public interests. At the date of this Offering Circular, DNA pays license fees for auctioned licenses with respect to the 2,500 MHz and 800 MHz spectrum licenses. DNA only pays license fees of EUR 676 thousand for the total license period of the 2,500 MHz spectrum license auctioned in 2009, which is considerably less than the license fee of EUR 33.6 million for the 800 MHz spectrum license. As at the date of this Offering Circular, the license fee for the 800 MHz spectrum license is DNA's most significant individual item of regulatory fee expenditure.

FICORA collects an annual frequency fee for all radio licenses and frequency reservations it grants.

FICORA collects a numbering fee of approximately EUR 650 thousand from DNA yearly on the use of Finnish telephone numbers and codes.

Other Regulatory Environment

Telecommunications service providers are also subject to a number of other laws, regulations and governmental activities that may affect the business environment. Such regulation encompasses antitrust laws, including those set forth by the Finnish Competition and Consumer Authority, the national supervising authority as well as laws on intellectual property, consumer protection, data protection, employment, construction and land use, among others.

Copyright

The Finnish Copyright Act (*tekijänoikeuslaki 404/1961*) applies, among other things, to the provision of audio-visual services in TV network, fixed broadband network, mobile network and over the internet, concerning both the distribution of linear TV channels, music and PVR service as well as the provision of program library and video rental services. DNA or a third party must obtain relevant licenses pursuant to the Finnish Copyright Act.

The European Commission's Digital Single Market agenda includes reform and review proposals regarding copyright legislation, such as the Commission's proposals for a regulation on cross-border portability of online content services and for a regulation laying down rules for the exercise of copyright and related rights applicable to certain online trans-missions of broadcasting organizations and retransmissions of television and radio programmes.

Pending Regulatory Matters

The relevant regulatory scheme is currently subject to certain pending regulatory changes and reviews that, depending on their outcome, may have a material impact on DNA, and on the industry as a whole. The current pending issues relate, among other things, to reallocation of certain frequency bands, EU roaming regulation and new SMP decisions.

Legislative Proposals for New Finnish Reconnaissance Legislation

In the autumn of 2015, the Finnish Government proposed that new reconnaissance legislation be adopted in Finland. The background to these legislative initiatives has been included in the Government Programme, which presents a regulatory foundation for overseas reconnaissance and communications reconnaissance. Concrete legislative proposals are expected no earlier than the end of 2016. Such legislation could have an effect on telecommunications operators, particularly with respect to communications reconnaissance, and could increase the obligations and costs of operators related to assisting the authorities due to, for example, network investments, information systems and increased labor requirements. The legislative work is currently pending, which creates uncertainty with respect to the future role of telecommunications operators, particularly in relation to communications reconnaissance.

Reallocation of the 700MHz Frequency Band to Mobile Use and Granting Network Licenses by Auction

MINTC decided in February 2016 that the 700 MHz frequency bands currently reserved for television use would be allocated for 4G use as of February 1, 2017 and new network licenses would be granted by auction. The auction will be held by FICORA starting from November 24, 2016, and the frequency band will be reallocated for 4G use as of February 1, 2017. The minimum price and the frequency bands subject to auction have been determined in a decree given by the Council of State in October 10, 2016. The provisions on the auction rules, procedure and process are laid down in the ISC and have been detailed further in a separate regulation given by FICORA (Regulation 64 A on auctioning of the network licenses for the 703–733 MHz and 758–788 MHz frequency bands) on October 10, 2016.

The auction model is a simultaneous multi-round auction (**SMRA**) auction carried out electronically over the internet. Six 2x5 MHz frequency pairs will be distributed through the auction, but no more than two frequency pairs, i.e. a maximum of one-third of those available, will be allocated to any individual bidder.

EU Roaming and Net Neutrality Regulation

The European Parliament and the Council adopted the Roaming Regulation on November 25, 2015 that amended the roaming regulation from 2012. The Roaming Regulation introduces the abolition of retail roaming charges in the EU from June 15, 2017, subject to fair usage of roaming services.

The Roaming Regulation also provides common rules to ensure the equal and non-discriminatory treatment of communications in the offering of internet connection services and to secure the end-user rights related thereto. BEREC drafted guidelines for the interpretation of the regulation for national regulatory authorities, which were published on August 30, 2016. On the basis of the guidelines, FICORA published a checklist on September 13, 2016 concerning taking the net neutrality regulation into account with respect to traffic management, traffic grading and the offering and terms and conditions of optimized services. FICORA has also published an opinion on the reasonable method of indicating the speed of internet access services. Net neutrality regulations and new definitions by the authorities will require a certain amount of changes to DNA's services and contractual terms and conditions. The changes will be carried out during 2016, as possible.

The Roaming Regulation does not provide for measures on the wholesale roaming market, as additional investigation of market conditions was deemed necessary. On June 15, 2016 the European Commission presented a proposal for amending the Roaming Regulation as regards rules for wholesale roaming markets. According to the proposal, wholesale roaming charges would be capped at 4.00 eurocents per minutes for calls made, 1.00 eurocents per SMS and 0.85 eurocents per MB of data transferred.

As at the date of this Offering Circular, the Commission's proposal for wholesale roaming charges is still pending in the EU member countries and the European Parliament and the Council.

The European Commission published a draft proposal for implementing the Roaming Regulation on September 26, 2016, which confirms detailed provisions on a so called fair use policy and the assessment of sustainability of the abolition of retail roaming charges as well as the application that a roaming operator must submit for such assessment. The Commission's implementing regulation will be considered in a so called comitology procedure. The implementing regulation is still pending as at the date of this Offering Circular and it may still be significantly amended.

Decisions on Significant Market Power

FICORA regularly examines the competitive conditions in the various segments of the telecommunications markets. When necessary, FICORA issues new decisions concerning significant market power. Conversely, FICORA may also repeal or lessen regulation when it no longer considers SMP decisions necessary. For example, in 2013 FICORA issued decisions repealing DNA's SMP obligations in call origination in the fixed telephone network from January 1, 2014 onwards. In 2013, FICORA also proposed repealing SMP obligations on fixed network call termination, which they believed to be redundant. FICORA withdrew its draft decision for the time being after the European Commission opposed FICORA's intentions. Conversely, on the mobile network side of call termination, FICORA issued DNA, as well as other SMP operators including Elisa and Telia Company in August 2015 a decision setting a maximum price for MTRs for the duration of three years as of December 2015.

According to FICORA's summary on SMP regulations for years 2015–2019, FICORA is planning to re-examine competitive conditions on fixed and mobile network call termination during 2017–2018. With regard to wholesale broadband access, wholesale access to local loops and wholesale access to leased lines, FICORA initiated a market analysis during 2016, which is ongoing. Television and radio service markets will likely be analyzed from 2017 to 2018.

The European Commission's proposal on the renewal of the regulatory framework for electronic communications

On September 14, 2016, the European Commission published its proposal on the reform of the regulatory framework for electronic communications. The extensive package of measures consists of the strategy concerning the European gigabit society (COM(2016) 587 final) and legislative proposals supporting the strategy and communication from the Commission: 1. Proposal for a Directive of the European Parliament and of the Council establishing the European Electronic Communications Code (COM(2016) 590 final). 2. Proposal for a Regulation of the European Parliament and of the Council establishing the Body of European Regulators for Electronic Communications (BEREC) (COM(2016) 591 final). 3. Proposal for a Regulation of the European Parliament and of the Council promoting Internet connectivity in local communities (COM(2016) 589 final). 4. Communication from the Commission concerning an action plan for the deployment of 5G (COM(2016) 588 final). The proposals concern, among other things, market regulation, spectrum management and use of radio frequencies, universal service obligations, regulation concerning electronic communications services, confidentiality of electronic communications, numbering, consumer protection and authorities for electronic communications.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables present selected consolidated financial information for the Company as at and for the years ended December 31, 2015, 2014 and 2013 and as at and for the nine months ended September 30, 2016 and 2015, respectively. The financial information presented below has been derived from the Company's Audited Consolidated Financial Statements prepared in accordance with IFRS, and the Company's Unaudited Interim Financial Information, prepared in accordance with "*IAS 34—Interim Financial Reporting*" included in the F-pages to this Offering Circular.

DNA identified an error during 2015 in its invoicing system causing a restatement of DNA's Consumer segment's net sales for the years ended December 31, 2014 and 2013. Net sales of the Consumer segment decreased by EUR 1,989 thousand and EUR 1,339 thousand, respectively, as a result of correction of the error. In 2015 DNA also identified an understatement of EUR 1,769 thousand for the amount of the PlusTV brand write-off recognized initially in 2014, which was retrospectively corrected. As a result of the restatements the net result for the period decreased by EUR 3,006 thousand for the year 2014 and EUR 1,011 thousand for the year 2013. In addition, DNA has reclassified certain items in the consolidated statement of financial position as at December 31, 2013 and in the consolidated statement of cash flows for years ended December 31, 2015, 2014 and 2013 to correspond to its current presentation format. The consolidated financial statements for the years ended December 31, 2015, 2014 and 2013 included in this Offering Circular have been retrospectively restated according to *"IAS 8—Accounting Policies, Changes in Accounting Estimates and Errors"* in respect of the items described above. The restated audited consolidated financial statements have been prepared for inclusion in this Offering Circular and they have not been considered or confirmed at the Company's annual general meeting. For more information on the restatements and reclassifications, see Note 34 to the Audited Consolidated Financial Statements included elsewhere in this Offering Circular.

The selected financial information presented herein should be read together with "*Certain Matters—Presentation of Financial Information*," "*Operating and Financial Review*" and the Audited Consolidated Financial Statements and Unaudited Interim Financial Information included in the F-pages to this Offering Circular.

	For the nine months ended September 30,		For the year ended December 31,		
	2016	2015	2015	2014 (restated)	2013 (restated)
	(unaudited) (EUR in thousands, unless otherwise indicated)		(audited, unless otherwise indicated) (EUR in thousands, unless otherwise indicated)		
CONSOLIDATED INCOME STATEMENT					
Net sales	**633,720**	**614,858**	**828,800**	**831,541**	**765,092**
Other operating income	2,680	3,268	4,283	1,837	2,404
Materials and services	(278,437)	(274,644)	(375,009)	(407,326)	(370,218)
Employee benefit expenses	(82,916)	(78,765)	(106,850)	(100,985)	(85,427)
Depreciation, amortization and impairments	(108,300)	(119,727)	(154,622)	(176,626)	(147,094)
Other operating expenses	(90,012)	(91,188)	(123,510)	(122,840)	(122,445)
Operating result, EBIT	**76,736**	**53,802**	**73,093**	**25,601**	**42,312**
Finance income	672	703	986	891	1,210
Finance expense	(7,903)	(9,634)	(12,499)	(11,342)	(7,175)
Share of associates' results	13	10	14	17	(33)
Net result before income tax	**69,519**	**44,882**	**61,593**	**15,168**	**36,314**
Income tax expense	(13,946)	(8,812)	(11,544)	(2,771)	(8,401)
Net result for the period	**55,573**	**36,070**	**50,049**	**12,397**	**27,913**
Attributable to:					
Owners of the parent	55,573	36,070	50,049	12,397	27,913
Earnings per share for net result attributable to owners of the parent:					
Earnings per share, basic (EUR)[(1)]	0.44	0.28	0.39[(2)]	0.10[(2)]	0.22[(2)]
Earnings per share, diluted (EUR)[(1)]	0.44	0.28	0.39[(2)]	0.10[(2)]	0.22[(2)]

(1) Earnings per share has been restated to take into account the effect of share split based on the decision of the extraordinary general meeting on October 25, 2016, where shareholders received 14 new shares for each share owned.

(2) Unaudited.

	For the nine months ended September 30,		For the year ended December 31,		
	2016	2015	2015	2014 (restated)	2013 (restated)
	(unaudited)		(audited)		
	(EUR in thousands)		(EUR in thousands)		
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME					
Net result for the period	55,573	36,070	50,049	12,397	27,913
Items that will not be reclassified to profit or loss:					
Remeasurements of post employment benefit obligations	(16)	44	249	(535)	67
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges	0	95	112	179	647
Other comprehensive income, net of tax	(16)	139	361	(356)	714
Total comprehensive income	**55,557**	**36,209**	**50,410**	**12,041**	**28,627**
Attributable to:					
Owners of the parent	55,557	36,209	50,410	12,041	28,627

	As at September 30, 2016	For the year ended December 31, 2015	2014 (restated)	2013 (restated)
	(unaudited)	(audited)		
	(EUR in thousands)	(EUR in thousands)		
CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
Assets				
Non-current assets:				
Goodwill	327,206	327,206	327,206	232,318
Other intangible assets	154,494	158,429	176,867	173,925
Property, plant and equipment	423,132	443,877	432,414	392,299
Investments in associates	1,195	1,186	2,155	2,142
Available-for-sale financial assets	215	215	215	215
Trade and other receivables	34,561	37,874	40,413	38,735
Deferred tax assets	173,839	18,840	31,190	31,847
Total non-current assets	**958,642**	**987,626**	**1,010,460**	**871,481**
Current assets:				
Inventories	17,991	21,082	19,497	20,806
Trade and other receivables	184,097	176,591	189,006	154,655
Income tax receivables	328	5,940	11,628	4,013
Cash and cash equivalents	48,369	25,266	10,599	27,055
Total current assets	**250,785**	**228,879**	**230,730**	**206,529**
Total assets	**1,209,427**	**1,216,505**	**1,241,190**	**1,078,010**
Equity				
Equity attributable to owners of the parent:				
Share capital	72,702	72,702	72,702	72,702
Hedge reserve	0	0	(112)	(292)
Reserve for invested unrestricted equity	607,335	607,335	607,335	606,779
Treasury shares	(103,321)	(103,388)	(103,546)	(103,546)
Retained earnings	(91,188)	(101,778)	(84,632)	(82,314)
Net result for the period	55,573	50,049	12,397	27,913
Total equity	**541,100**	**524,920**	**504,144**	**521,242**
Liabilities				
Non-current liabilities:				
Borrowings	341,330	362,334	327,105	225,845
Employment benefit obligations	1,974	1,939	2,219	1,496
Provisions	10,290	13,023	20,057	7,579
Derivative financial instruments	0	0	0	476
Deferred tax liabilities	25,618	28,285	32,518	38,961
Other non-current liabilities	12,540	12,502	19,553	21,725
Total non-current liabilities	**391,752**	**418,082**	**401,452**	**296,083**
Current liabilities:				
Borrowings	80,189	75,210	162,929	127,879
Provisions	737	1,004	3,137	203
Derivative financial instruments	0	0	150	0
Trade and other payables	186,197	197,271	169,288	132,504
Income tax liabilities	9,452	18	90	100
Total current liabilities	**276,575**	**273,503**	**335,594**	**260,685**
Total liabilities	**668,327**	**691,585**	**737,046**	**556,768**
Total equity and liabilities	**1,209,427**	**1,216,505**	**1,241,190**	**1,078,010**

	For the nine months ended September 30,		For the year ended December 31,		
	2016	2015 (restated)	2015 (restated)	2014 (restated)	2013 (restated)
	(unaudited)		(audited)		
	(EUR in thousands)		(EUR in thousands)		
CONSOLIDATED STATEMENT OF CASH FLOWS					
Cash flows from operating activities					
Net result for the period	55,573	36,070	50,049	12,397	27,913
Adjustments(1)	126,360	130,878	167,003	192,604	159,620
Change in net working capital(2)	11,945	14,681	35,651	(22,099)	(25,639)
Dividends received	6	6	6	6	6
Interest paid	(5,125)	(3,647)	(6,768)	(8,039)	(6,588)
Interest received	365	317	463	580	461
Other financial items	(465)	(1,110)	(1,487)	(1,724)	(1,600)
Income taxes paid	(552)	2,986	2,096	(10,678)	(17,731)
Net cash generated from operating activities	**188,106**	**180,180**	**247,012**	**163,047**	**136,440**
Cash flows from investing activities					
Investments in property, plant and equipment (PPE) and intangible assets	(107,436)	(103,554)	(152,398)	(129,629)	(129,976)
Proceeds from sale of PPE	109	933	1,026	131	460
Acquisition of subsidiaries, net of cash acquired	0	0	0	(156,838)	(40,496)
Other investments	(1,120)	1,637	1,637	(400)	0
Net cash used in investing activities	**(108,448)**	**(100,984)**	**(149,735)**	**(286,736)**	**(170,012)**
Cash flows from financing activities					
Proceeds from issuance of shares	67	158	158	557	0
Dividends paid	(40,063)	(30,041)	(30,041)	(30,014)	(35,016)
Proceeds from borrowings	59,864	124,634	274,561	544,010	307,093
Repayment of borrowings	(76,423)	(172,014)	(327,288)	(407,321)	(219,674)
Net cash generated from (used in) financing activities	**(56,555)**	**(77,263)**	**(82,610)**	**107,232**	**52,403**
Change in cash and cash equivalents	23,104	1,933	14,667	(16,456)	18,831
Cash and cash equivalents at beginning of period	25,266	10,599	10,599	27,055	8,224
Cash and cash equivalents at end of period	48,369	12,531	25,266	10,599	27,055

(1) Adjustments:					
Depreciation, amortization and impairment	108,300	119,727	154,622	176,626	147,094
Gains and losses on disposals of non-current assets	(137)	(1,101)	(1,215)	(131)	(320)
Other non-cash income and expense	(13)	(10)	(14)	269	(108)
Finance income and expense	7,230	8,931	11,513	10,451	5,965
Income tax expense	13,946	8,812	11,544	2,771	8,401
Change in provisions	(2,965)	(5,481)	(9,447)	2,620	(1,412)
Total adjustment	**126,360**	**130,878**	**167,003**	**192,604**	**159,620**
(2) Change in working capital:					
Change in trade and other receivables	(3,561)	6,735	15,216	(14,142)	(2,308)
Change in inventories	3,091	590	(1,585)	1,408	(3,065)
Change in trade and other payables	12,415	7,365	22,020	(9,365)	(20,266)
Change in net working capital	**11,945**	**14,681**	**35,651**	**(22,099)**	**(25,639)**

Key Performance Indicators

DNA follows several key performance indicators that it uses to measure its business performance. The key performance indicators also include alternative performance measures. For additional information on alternative performance measures and definitions of such measures, see "*Certain Matters—Presentation of Financial Information*", "*Operating and Financial Review—Reconciliation of Certain Alternative Performance Measures*", "*Operating and Financial Review—Liquidity and Capital Resources—Borrowings and Net Debt*" and "*Operating and Financial Review—Capital Expenditure and Investments—Past Investments*." The following table sets forth the key performance indicator data of the Company for the years ended December 31, 2015, 2014 and 2013 and for the nine months ended September 30, 2016 and 2015.

	As at and for the nine months ended September 30,		As at and for the year ended December 31,		
	2016	2015	2015	2014 (restated)	2013 (restated)
	(unaudited) (EUR in thousands, unless otherwise indicated)		(unaudited, unless otherwise indicated) (EUR in thousands, unless otherwise indicated)		
KEY PERFORMANCE INDICATOR DATA					
Mobile average revenue per user (ARPU), postpaid, in EUR(2)	17.0	17.1	17.0	17.8	18.2
Consumer segment mobile ARPU, in EUR	17.8	17.8	17.7	18.3	18.8
Corporate segment mobile ARPU, in EUR	13.9	14.6	14.6	15.8	16.0
Total mobile churn, percent(3)	15.5%	16.0%	16.0%	16.9%	17.1%
Net sales	633,720	614,858	828,800(1)	831,541(1)	765,092(1)
Net sales of Consumer segment(4)	464,439	442,113	596,250(1)	620,372(1)	592,089(1)
Net sales of Corporate segment(5)	169,281	172,745	232,550(1)	211,168(1)	173,003(1)
EBITDA(6)	185,036	173,529	227,714(1)	202,227(1)	189,406(1)
EBITDA margin, percent	29.2%	28.2%	27.5%	24.3%	24.8%
Comparable EBITDA(7)	189,595	172,474	226,660	210,954	195,009
Comparable EBITDA margin, percent	29.9%	28.1%	27.3%	25.4%	25.5%
Operating result, EBIT	76,736	53,802	73,093(1)	25,601(1)	42,312(1)
Operating result, EBIT margin, percent	12.1%	8.8%	8.8%	3.1%	5.5%
Comparable EBIT(8)	81,295	52,747	72,038	55,680	47,914
Comparable EBIT margin, percent	12.8%	8.6%	8.7%	6.7%	6.3%
Net result before income tax	69,519	44,882	61,593(1)	15,168(1)	36,314(1)
Net result for the period	55,573	36,070	50,049(1)	12,397(1)	27,913(1)
Cash flow after investing activities(10)	79,658	79,196	97,277	(123,689)	(33,572)
Net debt(11)	373,150	—	412,278	479,435	326,669
Net debt / EBITDA(12)	1.51	—	1.81	2.37	1.72
Net gearing, percent(13)	69.0%	—	78.5%	95.1%	62.7%
Equity ratio, percent(14)	45.8%	—	44.1%	41.4%	49.4%
Return on investment, percent(15)	10.7%	—	7.6%	2.8%	5.2%
Return on equity, percent(16)	13.9%	—	9.7%	2.4%	5.3%
Capital expenditure(17)	84,878	83,740	154,664(1)	149,553(1)	128,415(1)
Operative capital expenditure(18)	84,878	83,740	147,950	142,839	121,701
Operative capital expenditure as percentage of sales	13.4%	13.6%	17.9%	17.2%	15.9%
Operating free cash flow (OpFCF)(19)	104,716	88,734	78,710	68,115	73,308
Free cash flow to equity (FCFE)(20)	80,910	76,666	101,484	48,699	19,238

(1) Audited.

(2) Mobile ARPU, postpaid, means the average revenue per user calculated by dividing the mobile postpaid handset net sales (including interconnection and roaming revenues, but excluding equipment sales) by the average number of subscriptions for that period and further by the number of months in the period.

(3) Postpaid mobile churn rates represent postpaid mobile voice and data numbers only and are calculated by dividing the number of disconnections of mobile voice and data subscriptions during the period by the average number of mobile voice and data subscriptions in the same period. The average number of mobile voice and data subscriptions does not include postpaid mobile voice and data subscriptions without an active contract. DNA calculates "the average number of mobile voice and data subscriptions in the period" as the average of (i) the total number of mobile voice and data subscriptions at the beginning of the period and (ii) the total number of mobile voice and data subscribers at the end of the period.

The figures for the nine months ended September 30, 2016 and 2015 are annualized churn rates. Annualized churn rates are calculated by dividing the total number of disconnections of mobile handset subscriptions in the nine month period by the average number of mobile handset subscriptions during the nine month period, and dividing by the number of months of the period and multiplying by 12 (number of annualized months).

(4) External net sales of the Consumer segment.

(5) External net sales of the Corporate segment.

(6)	EBITDA	=	Operating result, EBIT excluding depreciation, amortization and impairments	
(7)	Comparable EBITDA	=	EBITDA excluding items affecting comparability[9]	
(8)	Comparable EBIT	=	Operating result, EBIT excluding items affecting comparability[9]	
(9)	Items affecting comparability	=	Material items outside ordinary course of business such as net gains or losses from business disposals, direct transaction costs related to business acquisitions, write-downs of non-current assets, cost for closure of business operations and restructurings, fines or other similar payments, damages, costs related to a one-time study on the Company's strategic alternatives to grow its shareholder base conducted in 2013 as well as direct transaction costs and cost impacts on the share based compensation plan of the contemplated Offering.	
(10)	Cash flow after investing activities	=	Cash generated from operating activities − cash used in investing activities	
(11)	Net debt	=	Non-current borrowings + Current borrowings − Cash and cash equivalents	
(12)			Interim periods adjusted to correspond with 12 months	
(13)	Net gearing	=	$\dfrac{\text{Net debt}}{\text{Total equity}}$	
(14)	Equity ratio	=	$\dfrac{\text{Total equity}}{\text{Total assets} - \text{Advances received}}$	x 100
(15)	Return on investment	=	$\dfrac{\text{Net result before income tax + interest and other finance expense}^{(12)}}{\text{Total equity + Non-current borrowings + Current borrowings (average for the period)}}$	x 100
(16)	Return on equity	=	$\dfrac{\text{Net result for the period}^{(12)}}{\text{Total equity (average for the period)}}$	x 100
(17)	Capital expenditure	=	Defined as additions to property, plant and equipment and intangible assets − business acquisitions − gross acquisition cost of spectrum license − additions through finance leases and asset retirement obligations + annual cash instalments for the spectrum license	
(18)	Operative capital expenditure	=	Capital expenditure − annual cash instalments for spectrum license	
(19)	Operating free cash flow (OpFCF)	=	Comparable EBITDA − Operative capital expenditure	
(20)	Free cash flow to equity (FCFE)	=	OpFCF − adjusted change in net working capital (change in net working capital in the consolidated statement of cash flows including an adjustment between Operative capital expenditure and cash-based capital expenditure excluding cash instalments for spectrum licenses and adjusted with the items affecting comparability) − interest paid, net in the consolidated statement of cash flows − cash taxes − change in provisions in the consolidated statement of cash flows	

See also "*Operating and Financial Review—Reconciliation of certain alternative performance measures*."

OPERATING AND FINANCIAL REVIEW

The following discussion of DNA's financial condition and results of operations should be read together with the Audited Consolidated Financial Statements, the Unaudited Interim Financial Information and the information relating to DNA's business included elsewhere in this Offering Circular. For information on the basis of preparation of the Audited Consolidated Financial Statements and the Unaudited Interim Financial Information, see "Certain Matters—Presentation of Financial Information" and "—Critical Accounting Judgments and Key Sources of Estimation Uncertainty" below.

The following discussion includes forward-looking statements that reflect the current view of DNA's management and involve inherent risks and uncertainties. DNA's actual results of operations or financial condition could differ materially from those contained in such forward-looking statements as a result of factors discussed below and elsewhere in this Offering Circular, particularly in "Risk Factors". See "Certain Matters—Special Cautionary Notice Regarding Forward-Looking Statements."

Overview

DNA is one of the leading national telecommunications service providers in Finland with its own nationwide mobile and fixed network. It operates under the DNA brand and its key infrastructure assets that enable its services consist of a nationwide mobile network and a hybrid-fiber-coaxial (**HFC**) network, which is the largest in the country based on the number of households covered within its footprint.

DNA's business is divided into two segments: Consumer and Corporate. For consumer customers, DNA offers mobile handset services, mobile broadband services, fixed voice and broadband services as well as TV and video services. In addition, DNA also offers consumer customers a broad selection of handsets, tablets, dongles, set-top boxes and related accessories from leading suppliers. For corporate customers DNA offers mobile voice, mobile data and fixed voice communication services as well as mobile broadband and fixed data networking services. DNA also offers corporate customers various value added, M2M and wholesale services as well as ability to purchase equipment relating to the above-mentioned services.

DNA operates in Finland in an attractive and stable market environment. The three main telecommunications services providers, DNA, Elisa and Telia Company, generated approximately 87 percent of the Finnish telecommunications market revenues in 2015 (source: FICORA). No new MNOs have tried to enter the market in recent years and the market share of MVNOs is very low, currently less than 1 percent. Each of the three main operators provides both mobile and fixed services, which further stabilizes the market.

In the mobile handset services market, DNA is the third largest player with a market share of 26 percent based on the number of subscriptions as at June 30, 2016 (source: FICORA). DNA was the third largest in fixed broadband with a market share of 25 percent as at December 31, 2015 (source: FICORA), and it was the largest cable TV provider with a market share of 39 percent as at December 31, 2015 (source: Company estimates).

DNA's single-brand strategy was launched in April 2015, fusing the previously separate brands DNA Business (corporate services brand), DNA Welho (television and fixed broadband brand) and DNA Kauppa (retail network brand) in to the renewed brand. DNA has strong brand recognition with a high and in the long term improving brand consideration score among consumer and corporate customers. DNA's consumer brand consideration among DNA's competitors' customers increased from 36 percent for the six months ending June 30, 2014, to 41 percent for the six months ending December 31, 2015. DNA's corporate brand consideration among companies with more than 250 employees increased from 32 percent for the six months ending June 30, 2014 to 53 percent for the six months ending December 31, 2015. (Source: TNS Gallup; the survey was conducted at the Company's request). The Company also enjoys strong customer satisfaction. According to the EPSI 2016 customer satisfaction survey, DNA had a good level of customer satisfaction among both consumer and corporate customers. In addition, DNA had the highest rate of customer satisfaction among MNO customers in corporate fixed data for a second successive year.

DNA's 4G mobile network, one of the most advanced mobile networks in Finland, is expected to provide coverage to 99.6 percent of the population of mainland Finland by the end of 2016. Suomen Yhteisverkko Oy, DNA's joint operation with Telia Company, started constructing a joint mobile communications network in spring 2015 in Northern and Eastern Finland and the construction phase has been completed in November 2016. The network enables DNA to provide high quality mobile coverage in rural areas. DNA expects to continue investing in the maintenance and development of the network, but significantly lesser amounts than during the construction phase. DNA also has the most extensive HFC cable network in Finland based on the number of households covered within its footprint, which is fully EuroDOCSIS3.0 upgraded allowing currently at least 350 Mbps download speeds to all households within its footprint and the access to up to gigabit grade speeds in the Helsinki metropolitan area and Oulu.

The most significant component of DNA's revenues is mobile services revenues, which contributed 41.4 percent and 43.6 percent of its total net sales for the year ended December 31, 2015 and the nine months ended September 30, 2016, respectively. DNA also derives revenues from mobile equipment sales (11.0 percent and 12.3 percent for the year ended December 31, 2015 and the nine months ended September 30, 2016, respectively), mobile interconnection and inbound roaming (7.7 percent and 6.2 percent for the year ended December 31, 2015 and the nine months ended September 30, 2016, respectively), fixed non-voice (35.5 percent and 34.0 percent for the year ended December 31, 2015 and the nine months ended September 30, 2016, respectively) and fixed voice (4.4 percent and 3.9 percent for the year ended December 31, 2015 and the nine months ended September 30, 2016, respectively). During the period of January 1, 2013 to December 31, 2015, the compounded annual growth rate of DNA's mobile service, fixed non-voice and fixed voice revenues has been 8.9 percent.

Key Factors Affecting Results of Operations

The results of DNA's operations have been and will continue to be influenced by a number of internal and external factors many of which are beyond its control. As certain of these factors have historically been volatile, it is difficult to predict DNA's future performance and DNA's past performance will not necessarily be indicative of its future performance. Certain of these key factors that have had, or may have, an effect on the results of DNA's operations are set forth below.

Mobile Services

DNA's mobile services revenues include consumer and corporate mobile handset and broadband services, corporate M2M services and corporate wholesale MVNO services.

The main contributor to DNA's mobile services revenues has been revenue from mobile subscriptions, which has principally been driven by the number of mobile subscriptions on its network (see "*—Mobile Subscription Base*") and the ABPU (see "*—Mobile ARPU*") that they generate. The development of DNA's subscription base has been driven by market dynamics (including demographics, technical innovation and changing customer behavior), market share (DNA's ability to capture new subscribers), and churn rate (DNA's ability to retain existing subscribers, see "*—Mobile Churn*") as well as the increasing use of mobile data services linked to the increasing popularity of smartphones and other mobile computing devices, such as tablets and dongles, and DNA's ability to successfully address and capture this increasing demand (see "*—Mobile Traffic Volume*"). DNA's mobile services revenues have also been affected by industry trends, such as competition-driven price evolution and, to a lesser extent, the rise of OTT applications offering free of charge alternatives to traditional mobile voice and messaging services (see "*—Mobile Traffic Volume*").

Mobile Subscription Base

The table below sets forth selected mobile subscription data for the periods indicated:

	As at September 30,		**As at December 31,**		
	2016	**2015**	**2015**	**2014**	**2013**
Mobile subscriptions at period end (000s)					
Postpaid and prepaid subscriptions					
Postpaid mobile subscriptions(1)	2,301	2,159	2,199	2,086	2,034
Prepaid mobile subscriptions(2)	430	421	422	419	416
Business segment subscriptions					
Consumer mobile subscriptions(3)	2,263	2,145	2,183	2,070	2,015
Corporate mobile subscriptions(4)	467	435	438	435	436
Total number of mobile subscriptions(5)	**2,731**	**2,580**	**2,621**	**2,505**	**2,450**

(1) Postpaid mobile subscriptions consist of consumer and corporate mobile handset and mobile broadband subscriptions on the basis of postpaid contracts, as well as MVNO subscriptions.

(2) Prepaid mobile subscriptions consist of customers who have purchased a prepaid mobile offering (including for mobile broadband) and whose SIM card is connected to the network.

(3) Consumer mobile subscriptions consist of consumer mobile handset subscriptions, mobile broadband subscriptions and prepaid subscriptions.

(4) Corporate mobile subscriptions consist of corporate mobile handset subscriptions, mobile broadband subscriptions and subscriptions through an MVNO using DNA's network.

(5) Mobile subscriptions consist of mobile handset subscriptions, mobile broadband subscriptions, direct prepaid subscriptions and subscriptions through an MVNO using DNA's network. Generally, each connection counts as one subscriptions; however, this may vary depending on the circumstances and subscription numbers should not be equated with the actual number of individuals or businesses using DNA's services.

DNA's mobile subscription base consists of consumer and corporate mobile handset and mobile broadband subscriptions of postpaid or prepaid contracts. As at September 30, 2016, postpaid mobile subscriptions represented 84.3 percent of DNA's total number of mobile subscriptions. The share of prepaid subscriptions of DNA's total mobile subscription base has remained relatively small during the period under review. All prepaid subscriptions are within the Consumer segment.

DNA's total mobile subscription base has increased by 11.5 percent since December 31, 2013, from 2,450 thousand subscriptions to 2,731 thousand as at September 30, 2016. The increase in DNA's mobile subscription base has largely been due to increasing uptake of mobile broadband subscriptions as well as DNA's increased market share of mobile handset and mobile broadband subscriptions. DNA attributes the demand for its mobile services mainly to DNA's attractive product offering combined with competitive pricing, high network quality and strong brand.

DNA's postpaid mobile subscription base has increased from 2,034 thousand subscriptions as at December 31, 2013 to 2,301 thousand as at September 30, 2016, mainly as a result of a modest increase in the overall Finnish telecommunications market and growth of DNA's market share, driven primarily by its anti-churn efforts and customer service initiatives. Growth in mobile broadband subscriptions has outpaced the growth in mobile handset subscriptions, mainly as a result of the significant increase in the penetration of tablets, dongles and other devices driving the use of high-speed mobile communication and increasing demand for mobile broadband services. In addition to general growth in mobile broadband subscriptions, which is reflected by mobile broadband penetration in Finland reaching 37 percent (source: IDC), the increase in DNA's mobile broadband subscription base has also been driven by migration of medium-speed fixed broadband subscriptions to mobile broadband, capturing xDSL subscribers of DNA's competitors as well as by DNA's launch of attractive new products.

Consumer mobile subscriptions increased from 2,015 thousand as at December 31, 2013 to 2,263 thousand as at September 30, 2016 while the increase in corporate mobile subscriptions from 436 thousand as at December 31, 2013 to 467 thousand as at September 30, 2016. The increase in said subscriptions was fuelled by increased mobile handset and mobile broadband subscriptions.

Mobile Churn

"Churn" refers to the percentage of mobile handset subscription deactivations over a given period. DNA deems mobile handset subscriptions as churned when they voluntarily terminate their mobile service with DNA (and either move to a different provider or choose not to have mobile handset services) or if DNA terminates their mobile handset services. Churn affects other key performance indicators, including total subscription.

The table below sets forth selected postpaid churn data for DNA's mobile services:

	For the nine months ended September 30,[1]		For the year ended December 31,		
	2016	**2015**	**2015**	**2014**	**2013**
Mobile churn (%)					
Postpaid mobile churn rate[2]	15.5%	16.0%	16.0%	16.9%	17.1%

(1) The figures for the nine months ended September 30, 2016 and 2015 are annualized churn rates. Annualized churn rates are calculated by dividing the total number of disconnections of mobile handset subscriptions in the nine month period by the average number of mobile handset subscriptions during the nine month period, and dividing by the number of months of the period and multiplying by 12 (number of annualized months).

(2) Postpaid mobile churn rates represent postpaid mobile handset numbers only and are calculated by dividing the number of disconnections of mobile handset subscriptions during the period by the average number of mobile handset subscriptions in the same period. The average number of mobile handset subscriptions does not include postpaid mobile handset subscriptions without an active contract. DNA calculates "the average number of mobile handset subscriptions in the period" as the average of (i) the total number of mobile handset subscriptions at the beginning of the period and (ii) the total number of mobile handset subscriptions at the end of the period.

The primary factors driving DNA's churn rate are the attractiveness and pricing of DNA's services, the perception of DNA's network speed and quality, the level of its customer service and the effectiveness of its marketing campaigns, each relative to other operators in Finland. The churn rate may also be impacted by subscription duration (with subscriptions with longer tenured contracts being less likely to leave for a competitor or terminate their service with DNA). As at December 31, 2015, approximately 40 percent of DNA's mobile subscriptions were on fixed term plans, while DNA's competitors do not currently offer contracts for fixed periods. In addition, churn rates are impacted by the number of services an individual subscriber has subscribed for, as churn rates are typically lower for subscribers of multiple services. For the eight months ended August 31, 2016, customers subscribing for more than one category of DNA's offering exhibited approximately 40 percent lower postpaid voice churn than customers only subscribing for one service category.

DNA's postpaid mobile churn rate decreased from 17.1 percent for the year ended December 31, 2013 to 16.0 percent for the year ended December 31, 2015. In the first nine months of 2016, DNA's annualized postpaid mobile churn rate decreased to 15.5 percent as compared with 16.0 percent for the nine months ended September 30, 2015. DNA attributes the decrease in postpaid mobile churn during the period under review mainly to its attractive products and services, its high quality network, the launch and implementation of its new single-brand strategy in 2015 and its focus on improving customer service and churn prevention skills of its customer care professionals. The quality of DNA's customer care service has enabled it to reduce the number of customer calls. Further, the annualized housing association churn has remained under 1 percent in each of the years ended December 31, 2013, 2014 and 2015.

Mobile ARPU

ARPU is an average monthly measure. Postpaid mobile ARPU is calculated by dividing the mobile handset net sales (including interconnection and roaming revenues but excluding equipment sales) by the average number of subscriptions for that period and further by the number of months in the period. Mobile ARPU is driven primarily by prices for DNA's mobile services, the penetration and increased speed of data subscriptions and revenues from access services, roaming and interconnection. ABPU measures average billing per user for postpaid subscriptions excluding interconnection revenues based on service revenue.

The table below sets forth selected ARPU data for DNA's mobile offerings:

	For the nine months ended September 30,		For the year ended December 31,		
	2016	2015	2015	2014	2013
Mobile ARPU (EUR/month)					
Postpaid mobile ARPU(1)	17.0	17.1	17.0	17.8	18.2
Consumer mobile ARPU(2)	17.8	17.8	17.7	18.3	18.8
Corporate mobile ARPU(3)	13.9	14.6	14.6	15.8	16.0
Prepaid mobile ARPU(4)	3.7	4.2	4.1	4.6	5.5
Mobile ABPU (EUR/month)(5)	**14.5**	**14.0**	**14.0**	**14.0**	**13.9**

(1) Postpaid mobile ARPU means the average revenue per user calculated by dividing the mobile handset postpaid net sales (including interconnection and roaming revenues, but excluding equipment sales) by the average number of mobile handset subscriptions for that period and further by the number of months in the period.

(2) Consumer mobile ARPU means the average revenue per user calculated by dividing the mobile handset consumer net sales (including revenue from interconnection and roaming revenues, but excluding equipment sales) by the average number of consumer subscriptions for that period and further by the number of months in the period.

(3) Corporate mobile ARPU means the average revenue per user calculated by dividing the mobile handset corporate net sales (including revenue from interconnection and roaming revenues, but excluding revenue from MVNOs and equipment sales) by the average number of corporate subscriptions (excluding MVNO and M2M subscribers) for that period and further by the number of months in the period.

(4) Prepaid mobile ARPU means the average revenue per user calculated by dividing the mobile prepaid net sales (including interconnection and roaming revenues, but excluding equipment sales) by the average number of prepaid subscriptions for that period and further by the number of months in the period.

(5) Average billing per user, postpaid, based on service revenue (excluding interconnection revenues)

DNA's postpaid mobile ARPU has decreased by 6.6 percent from EUR 18.2 per month for the year ended December 31, 2013 to EUR 17.0 per month for the nine months ended September 30, 2016 although it for the three months ended March 31, 2016 was EUR 16.4 per month, for the three months ended June 30, 2016 EUR 16.8 per month, and for the three months ended September 30, 2016 EUR 17.7 per month. The decline of DNA's postpaid mobile ARPU is predominantly the result of decreasing MTRs affecting mobile handset but not mobile broadband. Although interconnection and inbound roaming revenues have decreased during the period under review, DNA has seen an approximately proportionate decrease in interconnection and roaming costs (see "*—Mobile Interconnection and Roaming*").

Cross-selling and upselling its services have added significantly to DNA's revenues and ARPU. For the period January 1, 2016 to June 30, 2016, customers subscribing for more than one service from DNA generated on average approximately 140 percent higher billing than customers subscribing for only one service. As at June 30, 2016, 62 percent of customers subscribing for DNA's services only subscribed for one service category, while 28 percent subscribed for two service categories, 11 percent for three service categories and two percent for four service categories. The number of customers subscribing for two, three and four service categories from DNA increased by 4, 10, and 6 percent, respectively, while the number of customers subscribing for one service category decreased by 3 percent when comparing the three months ended June 30, 2016 to the three months ended June 30, 2015.

Postpaid ARPU is generally significantly higher than prepaid ARPU as postpaid subscribers are largely using unlimited data packages which are higher priced as compared to prepaid services which do not have unlimited data packages. In addition, prepaid ARPU includes certain subscriptions that have not been used and therefore are not generating revenue. DNA retains prepaid subscriptions active for up to 380 days, substantially longer than other MNOs in Finland. For the nine months ended September 30, 2016 DNA's postpaid ARPU was EUR 17.0 per month as compared to its prepaid ARPU of EUR 3.7 per month. DNA's prepaid ARPU has decreased in the period under review from EUR 5.5 per month for the year ended December 31, 2013 to EUR 3.7 per month for the nine months ended September 30, 2016, a decline by 32.7 percent. This decline was mainly driven by decreasing MTRs.

Consumer mobile ARPU has exceeded corporate mobile ARPU during the period under review. Consumer mobile ARPU has decreased by 5.3 percent from EUR 18.8 per month for the year ended December 31, 2013 to EUR 17.8 per month for the nine months ended September 30, 2016 while corporate mobile ARPU has decreased by 13.1 percent from EUR 16.0 per month to EUR 13.9 per month over the same period. The decrease in both consumer and corporate mobile ARPU was mainly driven by decreasing MTRs. The large number of municipal agreements and usage-based data offerings in the Corporate segment contribute to lower corporate mobile ARPU.

DNA's average billing per end-user (ABPU), which excludes the impact of interconnection fees and consequently the impact of MTRs, has increased from EUR 13.9 per month for the year ended December 31, 2013 to EUR 14.5 per month for the nine months ended September 30, 2016. While estimated ABPU of DNA's new subscriptions in January 2016 was 13 percent lower than the blended ABPU in said month, the ABPU for new subscriptions has been higher than the blended ABPU in each of March, April, May, June and July of 2016 with the ABPU of new subscriptions in July 2016 being 27 percent higher than the blended ABPU in said month.

Mobile Traffic Volume

DNA carried on average 5.9 gigabytes of data per subscription per month on its network in 2015. Traffic volume for a given period measures the number of minutes or seconds of calls and the amount of data over DNA's network for the period. The table below sets forth selected traffic data for DNA's mobile services for the periods indicated:

	For the nine months ended September 30, 2016	For the year ended December 31, 2015	2014	2013
Mobile traffic				
Total mobile data traffic[1] (in thousands of gigabytes) .	237,185	194,853	103,992	56,557
Average traffic[2] (in gigabytes/user/month)	9.8	5.9	3.50	1.93

(1) Total mobile data traffic means outgoing and incoming data.

(2) Average traffic means the total mobile data traffic divided by the year's average of DNA's total mobile subscriptions (including prepaid and MVNO subscriptions).

DNA's total mobile data traffic increased from the average of 42,418 thousand gigabytes for the nine months ended September 30, 2013 (calculated on the basis of full year data traffic) to 237,185 thousand gigabytes for the nine months ended September 30, 2016 (increasing from 133,558 thousand gigabytes for the first nine months of 2015), with the volume of mobile data traffic in DNA's 4G network nearly tripling during 2015 alone. In 2015, DNA had the highest mobile data usage in the world (source: Tefficient), and in summer 2016 DNA's mobile traffic volume exceeded the volume of DNA's fixed network traffic. This significant increase in data traffic was due in part to the increasing popularity of smartphones, tablets, dongles and other such devices and the exponential growth of data volumes in particular in the corporate segment as new technologies, such as various M2M applications, became more commonly adopted and remote working methods were adopted by an increasing number of corporate customers. Mobile data traffic was also driven by the emergence of OTT services and the migration of TV, video and music services to mobile devices. The amount of data transferred in the networks of all Finnish MNOs in 2015 was approximately 627,000 terabytes nearly 1,200 times the level in 2007 (source: FICORA). Following this trend, DNA's customers have increasingly purchased plans with faster data connections with higher monthly fees, which in turn has contributed significantly to DNA's mobile services revenues.

The significant increase in data usage during the period under review has not considerably affected DNA's revenues as most subscriptions have data plans that provide for unlimited data usage for a fixed fee. The trend in data usage during the period under review did, however, reflect increases in connection speeds due to customers increasingly upgrading their data plans to faster, more expensive connections, thereby increasing DNA's revenues.

Mobile Equipment Sales

DNA's mobile equipment sales consist of revenues derived from consumer and corporate sale of mobile equipment, such as mobile phones (including smartphones), tablets, dongles and other devices and mobile accessories. DNA sources mobile devices and related accessories directly from a number of well-known manufacturers, including Apple, Huawei, Samsung and Sony. DNA's customers can buy devices and accessories directly through DNA's stores, through DNA's online store or indirectly through a network of other resellers and distributors. During the period under review, the impact of DNA's mobile equipment revenues on operating result and EBITDA has been relatively small, with costs largely offsetting revenues from sales of mobile equipment.

Mobile equipment revenues have been supported by the increased popularity of 4G phones in both the Consumer and Corporate segment. While as much as 99.9 percent of phones sold by DNA in December 2015 were smartphones, prices for such phones and other mobile equipment have declined due to expanding product offerings available on the market. Demand for mobile equipment is also significantly influenced by individual features and capabilities that customers require from their devices, such as the quality of cameras built into mobile devices. The features and capabilities that customers require from devices are, however, changing more rapidly as the customers' demands develop along with the take-up of various services used through mobile devices.

Mobile Interconnection and Roaming

DNA receives interconnection revenues from other operators for calls and SMS terminated on its network and DNA pays interconnection fees to other operators for calls and SMS terminated on their networks. Inbound roaming revenues are revenues received by DNA relating to calls and SMS from subscribers of foreign MNOs using DNA's network while travelling in Finland. Outbound roaming fees are paid by DNA relating to calls and SMS from subscribers while traveling abroad. DNA invoices other operators directly for interconnection revenues and inbound roaming revenues, while other operators invoice DNA directly for interconnection and outbound roaming fees.

Interconnection revenues received and fees paid are determined by MTRs and roaming revenues received and fees paid are determined by roaming charges. Interconnection revenues and fees contribute to DNA's mobile interconnection revenues and costs, respectively. Inbound roaming revenues and outbound roaming fees contribute to DNA's inbound roaming revenues and outbound roaming costs, respectively.

In Finland, the MTRs that operators charge for traffic terminating on their respective networks have in the past been agreed upon in bilateral negotiations between MNOs. However, in December 2015 FICORA issued a decision which includes, for the first time, a price cap for MTR fees charged between operators. The price cap effectively caused MTR fees to decrease by one third from 1.87 eurocents to 1.25 eurocents per minute.

The table below sets forth past reductions in the MTR prices:

	As at December 31,		
	2015	2014	2013
MTR (Eurocent/min)	1.25	1.87	2.80
Change from Prior MTR (Eurocent/min)	(0.62)	(0.93)	(1.02)

MTRs have continuously decreased over the period under review, from 2.80 eurocents as at December 31, 2013 to the currently applicable 1.25 eurocents, which rates are valid since December 2015, a decrease of 55.4 percent. The current maximum price applies until December 2018.

The decrease in MTRs has had a significant negative impact on DNA's mobile handset ARPU, with the reduction in MTRs having a negative impact on revenues. The negative impact on DNA's gross margin has, however, been relatively small given that the decrease in MTRs also decreases interconnection fees payable by DNA. During the period under review DNA's interconnection revenues have exceeded interconnection fees on an annual basis with the net impact of interconnection revenues and fees on EBITDA having been positive, but decreasing each year.

On June 15, 2016 the European Commission presented a proposal according to which wholesale roaming charges would be capped at 4.00 eurocents per minutes for calls made, 1.00 eurocents per SMS and 0.85 eurocents per MB of data transferred. During the period under review DNA has paid greater wholesale roaming charges than it has received wholesale roaming revenues from non-Finnish operators with the net impact of wholesale roaming revenues and charges on EBITDA having been negative and relatively stable while being less than the net impact of interconnection revenues and fees. To the extent that wholesale roaming charges would not be capped at sufficiently low price levels or at all, DNA would be exposed to potentially large roaming charges payable to non-Finnish operators. Because of the abolition of retail roaming charges, DNA would only be able to set off those roaming charges against roaming charges collected from its subscriptions to a limited extent. Further, the EU fair use policy that enables foreign roaming at domestic prices (roam like at home) and increase in roaming data could exacerbate the adverse impact on DNA. See also "*Risk Factors—Abolition of retail roaming charges and uncertainty regarding the level of wholesale roaming charges could have an adverse effect on DNA's business*".

Fixed Non-Voice

DNA's fixed non-voice revenues consist of revenues derived from consumer fixed broadband services, TV and video services, corporate fixed data services, corporate value added services, consumer and corporate sale of fixed equipment and fixed non-voice corporate wholesale services.

DNA's TV and video services consist of cable based TV, cable/IP based pay TV, DTT based pay TV and OTT services, such as the DNA TV app service. DNA's fixed non-voice revenues are also significantly affected by the uptake of consumer fixed broadband services, offered both through housing associations and directly to individuals throughout DNA's HFC or Ethernet network. DNA has a high uptake of customers on modern technology networks, with 88 percent of its consumer broadband subscriptions on its cable network while the majority of its competitors' subscriptions are on xDSL connections.

Fixed Broadband Subscription Base

The table below sets forth selected data for DNA's fixed broadband offerings:

	As at September 30,		As at December 31,		
	2016	2015	2015	2014	2013
Fixed broadband at period end (000s)					
Fixed broadband subscriptions(1)	438	430	436	415	322
Of which Consumer subscriptions(2)	401	390	394	374	292
Of which Corporate subscriptions(3)	38	40	42	41	30

(1) Fixed broadband subscriptions consist of subscriptions with contracts for DNA's fixed broadband offerings or a bundle package including a fixed broadband product.

(2) Consumer subscriptions means individuals subscribing DNA's fixed broadband offerings directly or through housing association contracts.

(3) Corporate subscriptions means governmental entities, SOHOs, SMEs, foundations and large enterprises subscribing DNA's fixed broadband offerings.

The total number of fixed broadband subscriptions was 438 thousand as at September 30, 2016, an increase of 36.0 percent compared to 322 thousand as at December 31, 2013. DNA attributes this increase primarily to the acquisition of TDC Finland, which has been consolidated into DNA's financial statements as of June 1, 2014, and, to a lesser extent, to the strong demand for high speed HFC broadband, partially offset by the migration of fixed broadband connections to mobile broadband. Demand for fixed broadband increased slightly during the period under review supported mainly by the popularity of housing association broadband services in the Consumer segment as a growing number of housing associations offer fixed-line broadband connections to their residents. Housing association broadband connection is a service that provides broadband connections to all apartments in the building (see "*Business—Consumer Business—Fixed Broadband Services*"). As the connection speeds offered for housing association broadband services are relatively low, up to 10 Mbps, DNA has significant upside potential for upselling higher capacity fixed broadband services directly to individual residents. In case a resident of a housing association upgrades its fixed broadband connection to a direct subscription of a higher priced service, DNA retains the revenue generated from the housing association broadband service.

TV and Video Subscription Base

The table below sets forth selected subscriber and order data for DNA's TV and video services:

	As at September 30,		As at December 31,		
	2016	**2015**	**2015**	**2014**	**2013**
TV and video subscriptions at period end (000s)					
Cable TV subscriptions(1)	609	599	606	593	591
DNA TV app subscriptions(2)	272	173	186	112(3)	10(3)

(1) Cable TV subscriptions consist of subscriptions with contracts for DNA's TV packages transmitted via cable or a bundle packaging including a cable TV product.

(2) DNA TV app subscriptions consist of DNA TV app downloads and contracts for its charged offerings as a standalone product or through a bundled packaging including the DNA TV app.

(3) DNA TV app was not available during the years ended December 31, 2014 and 2013.

DNA's cable TV subscription base increased from 591 thousand as at December 31, 2013 to 609 thousand as at September 30, 2016, driven mainly by an increase in the number of housing associations purchasing fixed broadband and cable TV offerings. In most cases, DNA offers a basic cable TV package of various free-to-air channels to housing associations. In addition, DNA offers pay TV services to individual residents of housing associations to become direct subscribers of its services while retaining the revenue generated from the sale of the basic cable TV service to the housing association. DNA's pay TV services are often offered as bundles with faster fixed broadband services. DNA is the only DTT pay TV operator in Finland.

Since the second quarter of 2015, DNA has been offering entertainment services through the service labeled DNA TV app. The DNA TV app responds to the change in the ways people use entertainment services, including the new platform for content consumption that tablets and other devices have created. The DNA TV app is available to all consumers without a cable TV subscription being required, and other TV and video services are charged separately on top of the DNA TV app service. As at December 31, 2015, the DNA TV app had 186 thousand subscriptions and as at September 30, 2016, the app had approximately 272 thousand subscriptions, evidencing the rapid take-up of the service.

Fixed Voice

DNA's fixed voice revenues consist of consumer fixed voice services, fixed voice services within corporate communication services and fixed voice corporate wholesale services. DNA's fixed voice services are not actively marketed to consumers.

The table below sets forth selected data for DNA's fixed voice offerings:

	As at September 30,		As at December 31,		
	2016	2015	2015	2014	2013
Fixed voice at period end (000s)					
Fixed voice subscriptions[1]	68	82	78	100	103
Of which Consumer subscriptions[2] (%)	47%	48%	48%	51%	60%
Of which Corporate subscriptions[3] (%)	53%	52%	52%	49%	40%

(1) Fixed voice subscribers consist of subscriptions with contracts for DNA's fixed voice offerings or a bundle package include a fixed voice product.

(2) Consumer subscriptions consist of individuals subscribing for DNA's fixed voice services.

(3) Corporate subscriptions consist of governmental entities, SOHOs, SMEs, foundations and large enterprises subscribing for DNA's fixed voice services.

The total number of DNA's fixed voice subscriptions was 68 thousand as at September 30, 2016, a decrease of 34.0 percent compared to 103 thousand as at December 31, 2013. DNA attributes this decline primarily to the decreasing number of subscriptions that are historically accustomed to using fixed voice services as well as to the general migration of customers from fixed voice to mobile services. Fixed voice revenues increased from EUR 30.6 million for the year ended December 31, 2013 to EUR 36.2 million for the year ended December 31, 2015 mainly due to price increases in fixed voice services. DNA's fixed voice revenues are significantly impacted by the rate of decline of fixed voice subscriptions as well as DNA's ability to offset this decline through price increases.

Regulatory Environment and Spectrum License Purchase

DNA's MNO activities in Finland are subject to statutory regulation and supervision by various authorities, including FICORA and MINTC. In addition, as Finland is a member of the EU, DNA is therefore subject to the EU telecommunications regulations and directives. The authorities have the ability to influence the price of DNA's services, cost structure and the grounds on which licenses and frequencies are distributed (see "*Regulation*").

The provision of DNA's mobile network services, DTT networks and radio links requires licenses and DNA is dependent on maintaining the required licenses to operate its business. During the period under review, the regulatory environment has supported stringent competition between Elisa, Telia Company and DNA, reflected for instance in the Council of State decree for the upcoming 700 MHz spectrum license auction. According to the decree, six 2 × 5 MHz frequency bands will be auctioned but no bidder will be allowed to acquire more than two such frequency pairs, i.e. one-third of frequency bands on auction. As DNA's 4G mobile network is expected to cover 99.6 percent of the population of mainland Finland by the end of 2016, DNA believes that its existing network coverage will be sufficient to cover all material requirements for the license. Similarly, in the 800 MHz spectrum license auction held in 2013, the three leading MNOs each acquired 2 × 10 MHz frequency bands. DNA currently has more spectrum ownership per subscriber than Elisa or Telia Company.

FICORA has also imposed obligations in relation to, among other things, network access (including interconnection services, unbundled access and access to certain services and facilities), rate regulation, transparency and non-discrimination on network operators.

Capital Expenditure

For the years ended December 31, 2015, 2014 and 2013, DNA's operative capital expenditure totaled EUR 147,950 thousand, or 95.7 percent of capital expenditure, EUR 142,839 thousand, or 95.5 percent of total capital expenditure, and EUR 121,701 thousand, or 94.8 percent of the total capital expenditure, respectively.

DNA has modernized nearly its entire mobile network with 4G and MSR technology, thereby preparing for continued growth in data traffic. DNA's number of base stations installed nationwide in its mobile network (including Suomen Yhteisverkko Oy's network) increased by 316 percent from December 31, 2013 to December 31, 2015. DNA's 4G service is expected to cover 99.6 percent of the population of mainland Finland by the end of 2016. Started in 2011 and scheduled to be completed in mid-2017, the network modernization with MSR radio technology will provide similar coverage for all technology generations

(4G, 3G and 2G). In addition, in the spring of 2015, DNA's joint operation with Telia Company, Suomen Yhteisverkko Oy, started constructing a joint mobile communications network in Northern and Eastern Finland to provide high quality mobile coverage in rural areas. The construction phase has been completed in November 2016. DNA expects to continue investing in the maintenance and development of the network, but significantly lesser amounts than during the construction phase. DNA's share of the operation and maintenance costs of the joint operation's base capacity was 42 percent in 2015 and 40 percent in 2014. DNA's share of the base capacity costs of the joint operation will not exceed 50 percent.

DNA's fixed broadband offering is primarily based on HFC and FTTx-access-solutions, mainly depending on internal cabling solutions in customer buildings. As at the date of this Offering Circular, DNA's HFC cable network allows gigabit grade speeds in the Helsinki metropolitan area and Oulu with EuroDOCSIS3.0 technology, and 100 percent of the footprint is expected to be capable of receiving gigabit grade speeds by July 2017. DNA's HFC footprint is the largest of the Finnish MNOs, covering approximately 32 percent of Finnish households. During the spring and summer of 2015 DNA updated its cable network frequencies in all service areas to improve network performance and enable DNA to offer, for example, a wider range of HD channels and more capacity for high quality cable broadband.

The operative capital expenditures made in the past have increased DNA's capital expenditures during the period under review. However, with the accelerated rollout of 4G technology nearing completion and with DNA's cable network footprint exceeding that of its main competitors, DNA expects its annual capital expenditures to decline significantly going forward, mainly as the focus of investments is shifted from increasing mobile network coverage to improving capacity. DNA estimates that its operative capital expenditure for 2016 will decrease compared to 2015 (excluding fees for a potential 700 MHz spectrum license). DNA's mid-term financial target is to reach an operative capital expenditure level of below 15 percent of net sales. In calculating operative capital expenditure DNA excludes fees for spectrum licenses obtained through auction processes.

Operating Leverage and Cost Control

DNA has been able to improve its profitability supported by a favorable revenue mix effect (growth in higher margin service revenue and a decline in low-margin interconnection and equipment sales revenues), acquisitions and associated synergies, renegotiation of DTT distribution contracts as well as other cost control measures. DNA has taken measures to adapt its general cost structure and especially in connection with acquisitions that it has made. In 2014, following the TDC Finland acquisition, DNA reduced overlapping functions through co-operation procedures, decreasing the number of employees by 80.

The joint operation network has enabled DNA to decommission sites in overlapping regions, share costs for remaining sites and transmission backhaul as well as benefit from combined network roll-out, operation and maintenance, which has reduced DNA's operational expenses and the capital expenditure intensity of the business. In addition, the joint operation has increased the amount of DNA's new subscriptions and market share in Lapland, where the joint operation network was first implemented in 2015. Furthermore, the new IT systems allow DNA to increase the share of online transactions in marketing, sales and customer care, as well as automate its core processes, particularly the order and delivery processes, which is expected to result in further cost control. Operating leverage associated with service revenue growth and cost control, including savings associated with the shared network owned by the joint operation with Telia Company and new high quality IT systems, are expected to support profitability also going forward. DNA's materials and services expenses for the year ended December 31, 2015 were EUR 375.0 million, decreasing from EUR 407.3 million for the year ended December 31, 2014 as result of lower interconnection and roaming costs as well as a decrease in cost of equipment sold. For the year ended December 31, 2015, 26 percent of DNA's materials and services costs related to cost of equipment sold, 17 percent to interconnection and roaming fees, 28 percent to network costs, 16 percent to sales costs, customer care and billing, and 13 percent to other costs.

Acquisitions and Joint Operations

During the period under review, DNA has acquired Digi TV Plus Oy in 2013 and TDC Finland in 2014 as well as established Suomen Yhteisverkko Oy, a joint operation with Telia Company in 2014.

In September, 2013 DNA acquired Digi TV Plus Oy, which at the time was the largest DTT pay TV operator in Finland with approximately 220 thousand subscriptions representing approximately 35 percent of the total pay TV market in Finland measured by number of subscriptions. Through the acquisition of Digi TV Plus Oy, DNA became the only DTT pay TV operator in Finland and the largest pay TV operator measured by number of subscriptions. As at December 31, 2014, DNA had approximately 300,000 pay TV subscriptions in the cable and terrestrial networks as a result of the acquisition. Digi TV Plus Oy has been consolidated into DNA's financial statements as of September 1, 2013.

In June, 2014 DNA acquired TDC Finland for a purchase price of EUR 155 million with adjustments for net debt and working capital. The acquisition strengthened DNA's position in the corporate data communications market, especially for large and medium sized enterprises, and expanded the service offerings available to both TDC and DNA corporate customers. In addition, DNA and TDC A/S agreed on certain strategic co-operation at the Nordic level and on DNA becoming TDC A/S's main partner in Finland. The acquisition impacted particularly revenues of DNA's Corporate segment in the years ending December 31, 2015 and 2014. TDC Finland's operations have been consolidated into DNA's financial statements as of June 1, 2014.

Suomen Yhteisverkko Oy, DNA's joint operation with Telia Company, started constructing a joint mobile communica-tions network in spring 2015 in Northern and Eastern Finland and the construction phase has been completed in No-vember 2016. The network enables DNA to provide high quality mobile coverage in rural areas. DNA expects to con-tinue investing in the maintenance and development of the network, but significantly lesser amounts than during the construction phase. DNA owns 49 percent of the shares in Suomen Yhteisverkko Oy and recognizes its share of the entity's assets, liabilities, revenues and expenses in its consolidated financial statements. DNA's share of the operation and maintenance costs of the joint operation's base capacity was 42 percent in 2015 and 40 percent in 2014. DNA's share of the base capacity costs of the joint operation will not exceed 50 percent.

Changes in the Corporate Tax Rate in Finland

Changes in the corporate tax rate in Finland have had an effect on DNA's results of operations. In 2014, the corporate tax rate in Finland decreased from 24.5 percent to 20.0 percent due to changes in tax laws. The corporate tax rate may change in the future as a result of political factors beyond DNA's control.

General Economic Conditions

DNA derives virtually all of its revenues and profitability from customers in Finland, and its success is therefore, to a certain extent, dependent on general economic developments in Finland. During the period under review, particularly in 2013 and 2014, the economic development in Finland has been weak, which has caused, for instance, a reduction of GDP and consumer confidence and an increase in unemployment rates. The telecommunications sector is one of the industrial segments that has been comparably less affected by economic conditions given the relative stability of demand for communication services while services of a more discretionary nature, such as pay TV, have been affected to a larger extent. In addition, Corporate segment customers have typically been more sensitive to adjust their spending as a result of economic slowdown.

Following the recessionary period of 2013 and 2014, Finland's GDP grew in 2015, continued to improve during the six months ending June 30, 2016, and is expected to continue growth in the coming years (source: Ministry of Finance, Economic Survey—Autumn 2016).

Business Segments

DNA's operations are managed and reported in two segments: Consumer and Corporate. The table below sets forth net sales, EBITDA and operating result for the Consumer and Corporate segments for the years ended December 31, 2015, December 31, 2014 and December 31, 2013, and for the nine months ended September 30, 2016 and September 30, 2015:

	For the nine months ended September 30,		For the years ended December 31,		
	2016	2015	2015	2014 restated	2013 restated
	(EUR in thousands) (unaudited)		(EUR in thousands) (audited)		
Net sales by segment:					
Consumer net sales	464,439	442,113	596,250	620,372	592,089
Corporate net sales	169,281	172,745	232,550	211,168	173,003
Total net sales	**633,720**	**614,858**	**828,800**	**831,541**	**765,092**
EBITDA by segment:(1)					
Consumer EBITDA	131,160	119,561	154,577	141,339	131,920
Corporate EBITDA	53,876	53,969	73,137	60,888	57,486
Total EBITDA	**185,036**	**173,529**	**227,714**	**202,227**	**189,406**
Operating result, EBIT by segment:					
Consumer operating result, EBIT	61,353	43,560	56,012	22,974	34,397
Corporate operating result, EBIT	15,383	10,242	17,081	2,628	7,915
Total operating result, EBIT	**76,736**	**53,802**	**73,093**	**25,601**	**42,312**

(1) DNA defines EBITDA as operating result, EBIT, before depreciation, amortization and impairments. EBITDA is not prepared in accordance with IFRS and should not be viewed in isolation or as a substitute to the IFRS financial measures.

Recent Events

On October 25, 2016, the extraordinary general meeting of the Company decided to elect Pertti Korhonen as a new member of the Board of Directors. The Board of Directors of the Company decided on October 25, 2016, to elect Pertti Korhonen as the chairman of the Board of Directors, such election being conditional upon the consummation of the Offering and the Listing of the Company.

In addition, the extraordinary general meeting of the Company on October 25, 2016, made decisions required by the Offering and the Listing. The extraordinary general meeting of the Company decided on, among other things, changing the company form into a public company and on other amendments to the articles of association required by the Listing.

The extraordinary general meeting of the Company decided to increase the number of the Company's share by a share split by giving shareholders new shares without payment in respect of their shareholdings, where shareholders received 14 new shares for each share owned.

The extraordinary general meeting of the Company decided to authorize the Board of Directors to decide on a share issue and on granting option rights and other special rights entitling to shares referred to in Chapter 10, section 1 of the Companies Act (see *"Description of the Shares and Share Capital—Current Authorizations"*).

Suomen Yhteisverkko Oy, DNA's joint operation with Telia Company, started constructing a joint mobile communications network in spring 2015 in Northern and Eastern Finland and the construction phase has been completed in November 2016. The network enables DNA to provide high quality mobile coverage in rural areas. DNA expects to continue investing in the maintenance and development of the network, but significantly lesser amounts than during the construction phase.

Profit Forecast

Net sales are expected to increase moderately and the operating result is expected to grow significantly in 2016 compared to 2015. DNA's financial position is expected to remain at a healthy level.

Basis of the Profit Forecast

DNA's profit forecast is based on the Company's management's estimates and assumptions about the development of the Company's net sales, operating result and operating environment. The profit forecast is based on particularly the materialized growth of the subscription base and the realization of effective agreements in the Corporate segment in 2016 as well as signed agreements becoming effective during the last quarter of 2016 and the assumed development of equipment sale during the last quarter of 2016.

Further, the profit forecast is based on market data, which the Company utilizes in particular for preparing long-term forecasts. The most significant factors that the Company can influence are good and efficient sales channels and customer service as well as continuous cost control. The factors outside the influence of the Company are mainly related to general economic conditions, which may in particular have an impact on the sale of equipment during the last quarter of 2016. Other factors outside the influence of the Company are other general risk factors related to the industry and business operations.

The independent auditor's assurance report on the profit forecast is included in Appendix A of this Offering Circular.

The statements set forth in "—Profit Forecast" above include forward-looking statements and are not guarantees of DNA's financial performance in the future. DNA's actual results and financial position could differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including but not limited to those described under "Certain Matters—Special Cautionary Notice Regarding Forward-Looking Statements," "Risk Factors," and "—Key Factors Affecting the Results of Operations" above. The Company cautions prospective investors not to place undue reliance on these forward-looking statements.

Reconciliation of Certain Alternative Performance Measures

The table below sets forth reconciliations of EBITDA, comparable EBITDA and comparable EBIT to operating result, EBIT for the years ended December 31, 2015, 2014 and 2013 and for the nine months ended September 30, 2016 and 2015, respectively:

	For the nine months ended September 30,		For the year ended December 31,		
	2016	2015	2015	2014 restated	2013 restated
	(unaudited)		(unaudited, unless otherwise indicated)		
	(EUR in thousands)		(EUR in thousands)		
Comparable EBITDA					
Operating result, EBIT	**76,736**	**53,802**	**73,093**[(1)]	**25,601**[(1)]	**42,312**[(1)]
Depreciation, amortization and impairments	108,300	119,727	154,622[(1)]	176,626[(1)]	147,094[(1)]
EBITDA[(2)(12)]	**185,036**	**173,529**	**227,714**[(1)]	**202,227**[(1)]	**189,406**[(1)]
Items affecting comparability					
Direct transaction costs of the contemplated Offering	764	—	—	—	—
Cost impacts on the share based compensation plan of the contemplated Offering.	3,795	—	—	—	—
Net gains from business disposals	—	(1,055)	(1,055)	—	—
Acquisition related transaction costs	—	—	—	3,290	1,278
VAT fines related to prior periods	—	—	—	630	1,771
Restructuring expenses	—	—	—	4,806	—
Transaction costs related to strategic alternatives study	—	—	—	—	2,554
Total items affecting comparability	**4,559**	**(1,055)**	**(1,055)**	**8,727**	**5,603**
Comparable EBITDA[(3)(12)]	**189,595**	**172,474**	**226,660**	**210,954**	**195,009**
Comparable EBIT					
Operating result, EBIT	**76,736**	**53,802**	**73,093**[(1)]	**25,601**[(1)]	**42,312**[(1)]
Items affecting comparability					
Direct transaction costs of the contemplated Offering	764	—	—	—	—
Cost impacts on the share based compensation plan of the contemplated Offering.	3,795	—	—	—	—
Net gains from business disposals	—	(1,055)	(1,055)	—	—
Acquisition related transaction costs	—	—	—	3,290	1,278
VAT fines related to prior periods	—	—	—	630	1,771
Restructuring expenses	—	—	—	4,806	—
Transaction costs related to strategic alternatives study	—	—	—	—	2,554
Impairment of PlusTV brand	—	—	—	12,490	—
Impairment of other intangible assets	—	—	—	8,862	—
Total items affecting comparability	**4,559**	**(1,055)**	**(1,055)**	**30,079**	**5,603**
Comparable EBIT[(3)(12)]	**81,295**	**52,747**	**72,038**	**55,680**	**47,914**

(1) Audited

(2) DNA defines EBITDA as operating result, EBIT, before depreciation, amortization and impairments.

(3) DNA presents comparable EBITDA and comparable EBIT in addition to EBITDA and EBIT to reflect the underlying business performance and to enhance comparability from period to period. Comparable performance measures exclude items affecting comparability being material items outside ordinary course of business such as net gains or losses from business disposals, direct transaction costs related to business acquisitions, write-offs 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 conducted in 2013 as well as direct transaction costs and impacts of the share based compensation plan of the contemplated Offering.

The table below sets forth a reconciliation of DNA's free cash flow to equity to comparable EBITDA for the years ended December 31, 2015, 2014 and 2013 and for the nine months ended September 30, 2016 and 2015, respectively. Reconciliation of comparable EBITDA to operating result is presented below ("*—Reconciliation of Certain Alternative Performance Measures*".

	For the nine months ended September 30,		For the year ended December 31,		
	2016	**2015**	**2015 (restated)**	**2014 (restated)**	**2013 (restated)**
	(unaudited) (EUR in thousands)			(unaudited) (EUR in thousands)	
Comparable EBITDA[4]	**189,595**	**172,474**	**226,660**	**210,954**	**195,009**
Operative capital expenditure[5]	(84,878)	(83,740)	(147,950)	(142,839)	(121,701)
Operating free cash flow (OpFCF)[6][12]	**104,716**	**88,734**	**78,710**	**68,115**	**73,308**
Interest paid, net[7]	(5,225)	(4,439)	(7,792)	(9,183)	(7,727)
Income taxes paid[8]	(552)	2,986	2,096[11]	(10,678)[11]	(17,731)[11]
Adjusted change in net working capital[9]	(15,063)	(5,134)	37,917	(2,175)	(27,200)
Change in provisions[10]	(2,965)	(5,481)	(9,447)[11]	2,620[11]	(1,412)[11]
Free cash flow to equity (FCFE)[12]	**80,910**	**76,666**	**101,484**	**48,699**	**19,238**

(4) Comparable EBITDA is defined as EBITDA excluding items affecting comparability.

(5) Operative capital expenditure is defined as Capital expenditure excluding annual cash instalments for spectrum license of EUR 6.7 million for years 2015, 2014 and 2013.

(6) Operating free cash flow defined as Comparable EBITDA less Operative capital expenditure.

(7) Interest paid, net represents the total amount of interest paid, interest received and other financial items included in the consolidated statements of cash flows.

(8) Income taxes paid represents the corresponding amount included in the consolidated statement of cash flows.

(9) Adjusted change in net working capital represents the change in net working capital as included in the consolidated statements of cash flows including an adjustment between operative capital expenditure and cash-based capital expenditure in order to present FCFE on a cash basis however, excluding the cash instalment for spectrum licenses. These adjustments to net working capital amounted to EUR (22.6) million in the nine month period ended September 30, 2016, EUR (19.8) million in the nine month period ended September 30, 2015, EUR 2.3 million for the year 2015, EUR 19.9 million for year 2014 and EUR (1.6) million for the year 2013. Additionally adjusted change in net working capital is presented excluding the items affecting comparability, which were EUR 4.5 million in the nine month perioed ended September 30, 2016.

(10) Change in provision represents the corresponding amount in the consolidated statement of cash flows. The change in provision in 2014 includes restructuring provision of EUR 1.9 million.

(11) Audited.

(12) The Company believes that the EBITDA, comparable EBITDA, comparable EBIT, operating free cash flow and free cash flow to equity measures provide meaningful supplemental information to the financial measures presented in the consolidated income statement and consolidated statement of cash flows to the company management and the readers of its financial statements by excluding items that may not be indicative of the company's operating result or cash flows. EBITDA, comparable EBITDA, EBIT, comparable EBIT, operating free cash flow and free cash flow to equity are not accounting measures defined or specified in IFRSs in accordance with the "Alternative Performance Measures" guidance issued by the European Securities and Markets Authority (ESMA) and are therefore considered as alternative performance measures, which should not be viewed in isolation or as a substitute to the IFRS financial measures. Companies do not calculate alternative performance measures in a uniform way, and therefore the alternative performance measures presented in this Offering Circular may not be comparable with similarly named measures presented by other companies. For more information on presentation on alternative performance measures, see "*Certain Matters—Presentation of Financial Information—Alternative Performance Measures*".

Key Income Statement Line Items

The following section sets forth a summary description of DNA's key consolidated income statement line items.

Net Sales

DNA's net sales mainly comprise revenues from services and revenues from sale of goods.

Revenues from Services

Revenues from services consists mainly of sale of voice, data and TV and video services, value added services, networking services, M2M services and operator services as well as volume-based periodic, activation and maintenance charges, and includes revenues generated from:

- voice and data services, including revenues from monthly mobile handset subscription fees and voice and data traffic in DNA's mobile and fixed networks;
- interconnection traffic, relating to incoming calls from other operators' networks to DNA's mobile and fixed voice networks;
- international roaming, relating to calls made by subscriptions of foreign MNOs while traveling in Finland as well as DNA's mobile customers traveling outside Finland;
- cable TV and pay TV services, relating to non-recurring installation and connection charges and recurring subscription and pay TV fees;
- OTT services such as the DNA TV app service charged separately on top of the other TV and video services.
- operator services;
- other services, which primarily relate to business services, such as leased lines and data services;
- distribution and sales of ICT and telecommunication products in the corporate business segment, installation, secured hosting and other value added services for these products;
- M2M services to utilities and integrators; and
- value added services to DNA's mobile customers.

Revenues from Sale of Goods

DNA's revenues from sale of goods consists mainly of revenues generated from sale of equipment including mobile phones, tablets, set-top boxes, dongles, other hardware and related accessories.

Sales are recognized at fair value, which largely corresponds to the sale value less discounts and Value Added Tax (**VAT**).

Other Operating Income

Other operating income comprises (i) gains on the sale or disposal of property, plant and equipment; (ii) rental income; and (iii) other income, including government grants and telemonitoring.

Materials and Services

Materials and services comprise material costs, interconnection and roaming fees, subsidy costs, inventory costs as well as other costs relating to production.

Employee Benefit Expenses

Employee benefit expenses comprise wages and salaries, pension expenses for DNA's defined benefit plan and defined contribution plan, share-based payments and other personnel expenses, including social security payments and statutory insurance expenses.

Depreciation, Amortization and Impairment

Depreciation and amortization includes the depreciation of property, plant and equipment and the amortization of intangible assets, such as customer base and brands. Depreciation on assets is calculated using the straight-line method over the estimated useful lives. Land is not recognized as a depreciable asset. Assets are depreciated from the time they are ready for use. Amortized assets include the capitalization of the customer base, brand and other intangible assets, including intangible rights, software licenses and capitalized development costs.

The depreciation policies are as follows:

- buildings: 25 years;

- other construction: 10 to 25 years;
- network: 5 to 10 years; and
- machinery and equipment: 3 to 15 years.

The amortization policies are as follows:

- development costs: 3 years;
- customer contracts and the related customer relationships: 1 to 20 years;
- IT software: 3 to 10 years;
- brand: 10 to 30 years;
- frequencies: 20 years; and
- other intangible assets: 2 to 10 years.

Operating Result

DNA defines operating result as revenue plus other operating income less purchase expenses and changes in inventory. Moreover, the expenses incurred for employment benefits, depreciation and amortization, any impairment losses and other operating expenses are deducted. Other income statement items are disclosed below operating result. Exchange differences are included in financial items, with the exception of exchange gains or losses arising from the conversion of trade payables in foreign currencies included in the purchase costs of the financial period.

Finance Income

Finance income includes interest income from receivables and dividend income from available-for-sale investments. Finance income includes also the accretion of the interest component on non-current trade receivables over the contract term.

Finance Expense

Finance expense includes interest expense on debt, fair value adjustments of derivative instruments used for hedging purposes as well as derivative instruments outside of cash flow hedge accounting and finance expenses related to finance lease agreements.

Income Tax

Income tax comprises current income tax expenses, offset or increased by changes in deferred tax assets and liabilities and income tax from previous years.

Results of Operations

General

The following table sets forth DNA's consolidated income statements for the periods indicated:

	For the nine months ended September 30,		For the year ended December 31,		
	2016	2015	2015	2014 restated	2013 restated
	(unaudited)		(audited)		
	(EUR in thousands)		(EUR in thousands)		
CONSOLIDATED INCOME STATEMENT					
Net sales	**633,720**	**614,858**	**828,800**	**831,541**	**765,092**
Other operating income	2,680	3,268	4,283	1,837	2,404
Materials and services	(278,437)	(274,644)	(375,009)	(407,326)	(370,218)
Employee benefit expenses	(82,916)	(78,765)	(106,850)	(100,985)	(85,427)
Depreciation, amortization and impairments	(108,300)	(119,727)	(154,622)	(176,626)	(147,094)
Other operating expenses	(90,012)	(91,188)	(123,510)	(122,840)	(122,445)
Operating result, EBIT	**76,736**	**53,802**	**73,093**	**25,601**	**42,312**
Finance income	672	703	986	891	1,210
Finance expenses	(7,903)	(9,634)	(12,499)	(11,342)	(7,175)
Share of associated companies' results	13	10	14	17	(33)
Net result before income tax	**69,519**	**44,882**	**61,593**	**15,168**	**36,314**
Income tax expense	(13,946)	(8,812)	(11,544)	(2,771)	(8,401)
Net result for the period	**55,573**	**36,070**	**50,049**	**12,397**	**27,913**

The Nine Months Ended September 30, 2016 as Compared to the Nine Months Ended September 30, 2015

Net Sales

The following table sets forth DNA's revenues for the nine months ended September 30, 2016 and 2015:

	For the nine months ended September 30,				Change	
	2016 (unaudited)	% of net sales	2015 (unaudited)	% of net sales	Amount	%
	(EUR in thousands, except percentages)					
Revenues						
Mobile services revenues[1]	276,608	43.6%	256,276	41.7%	20,332	7.9%
Mobile equipment revenues[2]	77,788	12.3%	63,329	10.3%	14,459	22.8%
Mobile interconnection and inbound roaming revenues[3]	39,553	6.2%	48,486	7.9%	(8,933)	(18.4)%
Fixed non-voice revenues[4]	215,209	34.0%	219,580	35.7%	(4,372)	(2.0)%
Fixed voice revenues[5]	24,563	3.9%	27,187	4.4%	(2,624)	(9.7)%
Total net sales	**633,720**	**100.0%**	**614,858**	**100.0%**	**18,862**	**3.1%**

(1) DNA's mobile services revenues consist of revenues from consumer mobile handset services, consumer mobile broadband services, mobile handset corporate communication services, mobile broadband corporate networking services, corporate M2M services and corporate wholesale MVNO services.

(2) DNA's mobile equipment revenues consist of revenues from consumer and corporate sale of mobile equipment (such as mobile phones, tablets and dongles).

(3) DNA's mobile interconnection and inbound roaming revenues consist of interconnection revenues from other operators for calls terminated on DNA's network and roaming revenues from other operators for calls made by subscribers of foreign MNOs while traveling in Finland.

(4) DNA's fixed non-voice revenues consist of revenues from consumer fixed broadband services, consumer TV and video services, corporate fixed data services (such as fixed broadband for SOHOs and MPLS/IP-VPN services for mid/large customers), corporate value added services (such as security and cloud/hosting services), consumer sale of fixed equipment (such as set-top boxes), corporate sale of fixed equipment (such as PBX, video and LAN/WLAN) and fixed non-voice corporate wholesale services (such as access, antenna and capacity services).

(5) DNA's fixed voice revenues consist of revenues from consumer fixed voice services, fixed voice corporate communication services and fixed voice corporate wholesale services, including fixed voice interconnection revenue, as well as revenues from sale of equipment when the equipment is sold to support fixed voice revenue.

DNA's net sales for the nine months ended September 30, 2016 were EUR 633,720 thousand, an increase of EUR 18,862 thousand, or 3.1 percent, as compared to EUR 614,858 thousand for the nine months ended September 30, 2015. DNA primarily attributes this increase to the strong growth in mobile service revenues and the positive development of mobile device sales.

DNA's mobile services revenues for the nine months ended September 30, 2016 were EUR 276,608 thousand, an increase of EUR 20,332 thousand, or 7.9 percent, as compared to EUR 256,276 for the nine months ended September 30, 2015. DNA attributes the increase mainly to the growth in sales of mobile subscriptions fueled by increased smartphone adoption and the wider availability of 4G speeds.

DNA's mobile equipment revenues for the nine months ended September 30, 2016 were EUR 77,788 thousand, an increase of EUR 14,459 thousand, or 22.8 percent, as compared to EUR 63,329 thousand for the nine months ended September 30, 2015. DNA attributes the increase largely due to the popularity of certain augmented reality services increasing the demand for mobile devices.

DNA's mobile interconnection and inbound roaming revenues for the nine months ended September 30, 2016 were EUR 39,553 thousand, a decrease of EUR 8,933 thousand, or 18.4 percent, as compared to EUR 48,486 thousand for the nine months ended September 30, 2015, DNA attributes the decrease mainly to the decrease in MTRs.

DNA's fixed non-voice revenues for the nine months ended September 30, 2016 were EUR 215,209 thousand, a decrease of EUR 4,372 thousand, or 2.0 percent, as compared to EUR 219,580 thousand for the nine months ended September 30, 2015. The decrease in DNA's fixed non-voice revenues has largely been driven by a weaker demand for TV and video services.

DNA's fixed voice revenues for the nine months ended September 30, 2016 were EUR 24,563 thousand, a decrease of EUR 2,624 thousand, or 9.7 percent, as compared to EUR 27,187 thousand for the nine months ended September 30, 2015. DNA attributes the decrease mainly to the migration of fixed voice subscribers to mobile handset subscriptions and other alternatives.

The following table sets forth DNA's revenues by segment for the nine months ended September 30, 2016 and 2015:

	For the nine months ended September 30,				Change	
	2016 (unaudited)	**% of net sales**	**2015 (unaudited)**	**% of net sales**	**Amount**	**%**
	(EUR in thousands, except percentages)					
Revenues						
Consumer segment revenues	464,439	73.3%	442,113	71.9%	22,326	5.0%
Corporate segment revenues	169,281	26.7%	172,745	28.1%	(3,464)	(2.0)%
Total net sales	**633,720**	**100.0%**	**614,858**	**100.0%**	**18,862**	**3.1%**

Revenues for the Consumer segment for the nine months ended September 30, 2016 were EUR 464,439 thousand, an increase of EUR 22,326 thousand, or 5.0 percent, as compared to EUR 442,113 thousand for the nine months ended September 30, 2015. The increase was primarily due to the positive development of mobile subscription sales, increased use of mobile data following the growing popularity of 4G subscriptions and the positive development of terminal equipment sales.

Revenues for the Corporate segment for the nine months ended September 30, 2016 were EUR 169,281 thousand, a decrease of EUR 3,464 thousand, or 2.0 percent, as compared to EUR 172,745 thousand for the nine months ended September 30, 2015. The decrease was primarily due to a decline in MTRs, a decline in MVNO operations and lower traffic volumes.

The following table sets forth DNA's revenues for the nine months ended September 30, 2016 and 2015:

	For the nine months ended September 30,				Change	
	2016 (unaudited)	**% of net sales**	**2015 (unaudited)**	**% of net sales**	**Amount**	**%**
	(EUR in thousands, except percentages)					
Revenues						
Sale of goods	84,540	13.3%	68,248	11.1%	16,292	23.9%
Revenue from services	549,180	86.7%	546,610	88.9%	2,570	0.5%
Total net sales	**633,720**	**100.0%**	**614,858**	**100.0%**	**18,862**	**3.1%**

Sale of goods for the nine months ended September 30, 2016 were EUR 84,540 thousand, an increase of EUR 16,292 thousand, or 23.9 percent, as compared to EUR 68,248 thousand for the nine months ended September 30, 2015. The increase was primarily due to to the popularity of certain augmented reality services increasing the demand for mobile devices..

Revenue from services for the nine months ended September 30, 2016 were EUR 549,180 thousand, an increase of EUR 2,570 thousand, or 0.5 percent, as compared to EUR 546,610 thousand for the nine months ended September 30, 2015. The increase was primarily due to the growth in sales of mobile subscriptions fueled by increased smartphone adoption and the wider availability of 4G speeds..

Other Operating Income

DNA's other operating income for the nine months ended September 30, 2016 was EUR 2,680 thousand, a decrease of EUR 588 thousand, or 18.0 percent, as compared to EUR 3,268 thousand for the nine months ended September 30, 2015. The decrease was primarily due to decreased rental income.

Materials and Services

Materials and services costs for the nine months ended September 30, 2016 were EUR 278,437 thousand, an increase of EUR 3,793 thousand, or 1.4 percent, as compared to EUR 274,644 thousand for the nine months ended September 30, 2015. This growth in materials and services costs was driven by acquisitions of materials and network costs.

Employee Benefit Expenses

The following table sets forth certain data for employee benefits expenses for the nine months ended September 30, 2016 and 2015:

	For the nine months ended September 30,		Change	
	2016 (unaudited)	2015 (unaudited)	Amount	%
	(EUR in thousands, except percentages)			
Employment benefits				
Wages and salaries	60,684	63,203	(2,519)	(4.0)%
Pension expenses—defined contribution plan	11,884	11,792	92	0.8%
Pension expenses—defined benefit plan	(3)	(15)	12	80.0%
Share-based payments	6,502	572	5,930	1,036.7%
Other personnel expenses	3,849	3,213	636	19.8%
Total	**82,916**	**78,765**	**4,151**	**5.3%**

Employee benefit expenses for the nine months ended September 30, 2016 were EUR 82,916 thousand, an increase of EUR 4,151 thousand, or 5.3 percent, as compared to EUR 78,765 thousand for the nine months ended September 30, 2015. This growth in employee benefit expenses was mainly driven by the accrued share-based payment cost resulting from the contemplated Listing. The most significant change in underlying assumptions impacting the cost for the period was the fair value of Shares.

Depreciation, Amortization and Impairment

The following table sets forth depreciation, amortization and impairment expenses for the nine months ended September 30, 2016 and 2015:

	For the nine months ended September 30,		Change	
	2016 (unaudited)	2015 (unaudited)	Amount	%
	(EUR in thousands, except percentages)			
Amortization of intangible assets				
Customer base	7,646	8,463	(817)	(9.7)%
Brand	712	712	0	0.0%
Other intangible assets	22,305	23,618	(1,313)	(5.6)%
Total	**30,662**	**32,793**	**(2,131)**	**(6.5)%**
Depreciation of property, plant and equipment				
Buildings and constructions	5,019	1,744	3,275	187.8%
Machinery and equipment	72,619	85,191	(12,572)	(14.8)%
Total	**77,638**	**86,934**	**(9,296)**	**(10.7)%**
Total depreciation, amortization and impairment	**108,300**	**119,727**	**(11,427)**	**(9.5)%**

Depreciation, amortization and impairment expenses for the nine months ended September 30, 2016 were EUR 108,300 thousand, a decrease of EUR 11,427 thousand, or 9.5 percent, as compared to EUR 119,727 thousand for the nine months ended September 30, 2015. This decline in depreciation, amortization and impairment expenses was mainly driven by a decrease in the depreciable fair valued tangible and intangible assets of the regional telecommunications operations acquired in 2007.

Other Operating Expenses

DNA's other operating expenses for the nine months ended September 30, 2016 was EUR 90,012 thousand, a decrease of EUR 1,176 thousand, or 1.3 percent, as compared to EUR 91,188 thousand for the nine months ended September 30, 2015. The decrease was primarily due to lower amount of bad debt losses due to new billing system as well as improved credit control.

Operating Result

DNA's operating result for the nine months ended September 30, 2016 was EUR 76,736 thousand, an increase of EUR 22,934 thousand, or 42.6 percent, as compared to EUR 53,802 thousand for the nine months ended September 30, 2015. The increase was primarily due to to growth in service revenue and a lower level of depreciation.

The following table sets forth DNA's operating result by segment for the nine months ended September 30, 2016 and 2015:

	For the nine months ended September 30,				Change	
	2016 (unaudited)	% of net sales	2015 (unaudited)	% of net sales	Amount	%
	(EUR in thousands, except percentages)					
Operating result						
Consumer segment	61,353	13.2%	43,560	9.9%	17,793	40.8%
Corporate segment	15,383	9.1%	10,242	5.9%	5,141	50.2%
Total	**76,736**	**12.1%**	**53,802**	**8.8%**	**22,934**	**42.6%**

The operating result for the Consumer segment for the nine months ended September 30, 2016 was EUR 61,353 thousand, an increase of EUR 17,793 thousand, or 40.8 percent, as compared to EUR 43,560 thousand for the nine months ended September 30, 2015. The increase was mainly due to revenue growth and a lower level of depreciation.

The operating result for the Corporate segment for the nine months ended September 30, 2016 was EUR 15,383 thousand, an increase of EUR 5,141 thousand, or 50.2 percent, as compared to EUR 10,242 thousand for the nine months ended September 30, 2015. The increase was mainly due to decreased costs and depreciation.

Finance Income

DNA's finance income for the nine months ended September 30, 2016 was EUR 672 thousand, a decrease of EUR 31 thousand as compared to EUR 703 thousand for the nine months ended September 30, 2015. The decrease was primarily due to accretion of the interest component on the non-current trade receivables.

Finance Expense

DNA's finance expenses for the nine months ended September 30, 2016 were EUR 7,903 thousand, a decrease of EUR 1,731 thousand as compared to EUR 9,634 thousand for the nine months ended September 30, 2015. The decrease was primarily due to a reduction in the amount of borrowings.

Income Tax

DNA's income tax expenses for the nine months ended September 30, 2016 was EUR 13,946 thousand, an increase of EUR 5,134 thousand, or 58.3 percent, as compared to EUR 8,812 thousand for the nine months ended September 30, 2015. The increase followed financial performance.

Net Result

DNA's net result for the nine months ended September 30, 2016 was EUR 55,573 thousand, a change of EUR 19,503 thousand as compared to the profit of EUR 36,070 thousand for the nine months ended September 30, 2015.

The Year Ended December 31, 2015 as Compared to the Year Ended December 31, 2014

Net Sales

The following table sets forth DNA's revenues for the years ended December 31, 2015 and 2014:

	For the year ended December 31,					
	2015 (unaudited, unless otherwise indicated)	% of total revenue	2014 (unaudited, unless otherwise indicated, restated)	% of total revenue	Change Amount	Change %
	(EUR in thousands, except percentages)					
Revenues						
Mobile services revenues[1]	343,372	41.4%	333,026	40.0%	10,346	3.1%
Mobile equipment revenues[2]	91,517	11.0%	105,145	12.6%	(13,627)	(13.0)%
Mobile interconnection and inbound roaming revenues[3]	63,693	7.7%	77,155	9.3%	(13,462)	(17.4)%
Fixed non-voice revenues[4]	293,990	35.5%	280,088	33.7%	13,901	5.0%
Fixed voice revenues[5]	36,228	4.4%	36,127	4.3%	101	0.3%
Total net sales	**828,800[6]**	**100.0%**	**831,541[6]**	**100.0%**	**(2,741)**	**(0.3)%**

(1) DNA's mobile services revenues consist of revenues from consumer mobile handset services, consumer mobile broadband services, mobile handset corporate communication services, mobile broadband corporate networking services, corporate M2M services and corporate wholesale MVNO services.

(2) DNA's mobile equipment revenues consist of revenues from consumer and corporate sale of mobile equipment (such as mobile phones, tablets and dongles).

(3) DNA's mobile interconnection and inbound roaming revenues consist of interconnection revenues from other operators for calls terminated on DNA's network and roaming revenues from other operators for calls made by subscribers of foreign MNOs while traveling in Finland.

(4) DNA's fixed non-voice revenues consist of revenues from consumer fixed broadband services, consumer TV and video services, corporate fixed data services (such as fixed broadband for SOHOs and MPLS/IP-VPN services for mid/large customers), corporate value added services (such as security and cloud/hosting services), consumer sale of fixed equipment (such as set-top boxes), corporate sale of fixed equipment (such as PBX, video and LAN/WLAN) and fixed non-voice corporate wholesale services (such as access, antenna and capacity services).

(5) DNA's fixed voice revenues consist of revenues from consumer fixed voice services, fixed voice corporate communication services and fixed voice corporate wholesale services, including fixed voice interconnection revenue.

(6) Audited.

DNA's net sales for the year ended December 31, 2015 were EUR 828,800 thousand, a decrease of EUR 2,741 thousand, or 0.3 percent, as compared to EUR 831,541 thousand for the year ended December 31, 2014. The decrease was primarily due to lower mobile equipment sales and lower mobile interconnection and inbound roaming revenues, which were partly offset by increases in mobile services revenues and fixed non-voice revenues.

DNA's mobile services revenues for the year ended December 31, 2015, were EUR 343,372 thousand, an increase of EUR 10,346 thousand, or 3.1 percent, as compared to EUR 333,026 thousand for the year ended December 31, 2014. DNA attributes the increase mainly to growth in mobile subscriptions and the migration of DNA's customers to higher-priced subscriptions with faster data speed. In addition, TDC Finland has been consolidated into DNA's financial statements as of June 1, 2014 and thus has a lesser impact on revenues for the year ended December 31, 2014.

DNA's mobile equipment revenues for the year ended December 31, 2015, were EUR 91,517 thousand, a decrease of EUR 13,627 thousand, or 13.0 percent, as compared to EUR 105,145 thousand for the year ended December 31, 2014. DNA attributes the decrease mainly to reduced demand for mobile devices among consumer customers and declining prices for high-end mobile devices due to expanding product offerings available on the market.

DNA's mobile interconnection and inbound roaming revenues for the year ended December 31, 2015 were EUR 63,693 thousand, a decrease of EUR 13,462 thousand, or 17.4 percent, as compared to EUR 77,155 thousand for the year ended December 31, 2014. DNA attributes the decrease mainly to the reduction in MTRs from 1.87 eurocents per minute as at December 31, 2014 to 1.25 eurocents per minute as at December 31, 2015.

DNA's fixed non-voice revenues for the year ended December 31, 2015, were EUR 293,990 thousand, an increase of 13,901 thousand, or 5.0 percent, as compared to EUR 280,088 thousand for the year ended December 31, 2014. The increase was largely driven by the acquisition of TDC Finland, which has been consolidated into DNA's financial statements as of June 1, 2014 and thus had a full year impact on revenues for the year ended December 31, 2015.

DNA's fixed voice revenues for the year ended December 31, 2015, were EUR 36,228 thousand, an increase of 101 thousand, or 0.3 percent, as compared to EUR 36,127 thousand for the year ended December 31, 2014. The increase was largely driven by the acquisition of TDC Finland, which has been consolidated into DNA's financial statements as of June 1, 2014 and thus had a full year impact on revenues for the year ended December 31, 2015 and, to a lesser extent, by increased prices for DNA's fixed voice services.

The following table sets forth DNA's revenues by segment for the years ended December 31, 2015 and 2014:

	For the year ended December 31,				Change	
	2015 (audited)	% of net sales	2014 (audited, restated)	% of net sales	Amount	%
	(EUR in thousands, except percentages)					
Revenues						
Consumer segment revenues	596,250	71.9%	620,372	74.6%	(24,122)	(3.9)%
Corporate segment revenues	232,550	28.1%	211,168	25.4%	21,382	10.1%
Total net sales	**828,800**	**100.0%**	**831,541**	**100.0%**	**(2,741)**	**(0.3)%**

Net sales for the Consumer segment for the year ended December 31, 2015 were EUR 596,250 thousand, a decrease of EUR 24,122 thousand, or 3.9 percent, as compared to EUR 620,372 thousand for the year ended December 31, 2014. The decrease was mainly due to decreased mobile device and pay TV sales as well as reduced interconnection revenues, which was partly offset by increased fixed broadband sales.

Net sales for the Corporate segment for the year ended December 31, 2015 were EUR 232,550 thousand, an increase of EUR 21,382 thousand, or 10.1 percent, as compared to EUR 211,168 thousand for the year ended December 31, 2014. The increase was primarily due to the acquisition of TDC Finland having occurred in June 2014 and being consolidated into DNA's financial statements as of June 1, 2014, thus having a full year impact on the net sales for the year ended December 31, 2015.

The following table sets forth DNA's revenues for the years ended December 31, 2015 and 2014:

	For the year ended December 31,				Change	
	2015 (audited)	% of net sales	2014 (audited, restated)	% of net sales	Amount	%
	(EUR in thousands, except percentages)					
Revenues						
Sale of goods	98,690	11.9%	111,996	13.5%	(13,306)	(11.9)%
Revenue from services	730,110	88.1%	717,649	86.3%	12,461	1.7%
Revenue from construction contracts	0	0.0%	1,896	0.2%	(1,896)	(100.0)%
Total	**828,800**	**100.0%**	**831,541**	**100.0%**	**(2,741)**	**(0.3)%**

Sale of goods for the year ended December 31, 2015 were EUR 98,690 thousand, a decrease of EUR 13,306 thousand, or 11.9 percent, as compared to EUR 111,996 thousand for the year ended December 31, 2014. The decrease was primarily due to reduced demand for mobile devices among consumer customers and declining prices for high-end mobile devices due to expanding product offerings available on the market.

Revenue from services for the year ended December 31, 2015 was EUR 730,110 thousand, an increase of EUR 12,461 thousand, or 1.7 percent, as compared to EUR 717,649 thousand for the year ended December 31, 2014. The increase was primarily due to the acquisition of TDC Finland and the positive development of broadband service sales. Net sales were burdened by decreased pay TV service sales as well as lower interconnection prices.

Other Operating Income

DNA's other operating income for the year ended December 31, 2015 was EUR 4,283 thousand, an increase of EUR 2,446 thousand, or 133.2 percent, as compared to EUR 1,837 thousand for the year ended December 31, 2014. The increase was primarily due to the sale of DNA's share of Booxmedia Ltd and the growth in rental income from certain premises that were previously the headquarter of TDC Finland.

Materials and Services

Materials and services costs for the year ended December 31, 2015 were EUR 375,009 thousand, a decrease of EUR 32,317 thousand, or 7.9 percent, as compared to EUR 407,326 thousand for the year ended December 31, 2014. This decline in materials and services costs was driven by the decline in MTRs and, consequently, interconnection fees as well as by the decline in costs from DTT distribution contracts and mobile devices sold to consumer customers.

Employee Benefit Expenses

The following table sets forth certain data for employee benefits expenses for the year ended December 31, 2015 and 2014:

	For the year ended December 31,		Change	
	2015 (audited)	2014 (audited)	Amount	%
	(EUR in thousands, except percentages)			
Employment benefits				
Wages and salaries	85,473	81,694	3,779	4.6%
Pension expenses—defined contribution plan	15,897	14,577	1,320	9.1%
Pension expenses—defined benefit plan	90	114	(24)	(21.1)%
Share-based payments	890	286	604	211.2%
Other personnel expenses	4,500	4,314	186	4.3%
Total	**106,850**	**100,985**	**5,865**	**5.8%**

Employee benefit expenses for the year ended December 31, 2015 were EUR 106,850 thousand, an increase of EUR 5,865 thousand, or 5.8 percent, as compared to EUR 100,985 thousand for the year ended December 31, 2014. This growth in employee benefit expenses was driven by increased wages and salaries due to the average number of personnel for the year ended December 31, 2015 increasing to 1,710 from 1,657 for the year ended December 31, 2014 as a result of the acquisition of TDC Finland in June 2014.

The total number of personnel for the year ended December 31, 2015 decreased to 1,672 from 1,748 the year ended December 31, 2014 due to cooperation negotiations carried out during 2014. For the year ended December 31, 2014, the acquisition only affected wages and salaries starting June 1, 2014 when the acquired operations were consolidated into DNA's financial statements.

Depreciation, Amortization and Impairments

The following table sets forth depreciation and amortization expenses as well as impairment charges for the year ended December 31, 2015 and 2014:

	For the year ended December 31,		Change	
	2015 (audited)	2014 (audited, restated)	Amount	%
	(EUR in thousands, except percentages)			
Amortization of intangible assets				
Customer base	10,657	9,434	1,223	13.0%
Brand	949	949	0	0.0%
Other intangible assets	31,065	34,030	(2,965)	(8.7)%
Total	**42,671**	**44,413**	**(1,742)**	**(3.9)%**
Depreciation of property, plant and equipment				
Buildings and constructions	2,341	2,246	95	4.2%
Machinery and equipment	109,610	108,614	996	0.9%
Total	**111,951**	**110,860**	**1,091**	**1.0%**
Impairment charges				
Brand	0	12,490	(12,490)	(100.0)%
Other intangible assets	0	8,862	(8,862)	(100.0)%
Total	**0**	**21,352**	**(21,352)**	**(100.0)%**
Total amortization, depreciation and impairments	**154,622**	**176,626**	**(22,004)**	**(12.5)%**

Depreciation, amortization and impairments for the year ended December 31, 2015 was EUR 154,622 thousand, a decrease of EUR 22,004 thousand, or 12.5 percent, as compared to EUR 176,626 thousand for the year ended December 31, 2014. This decline was mainly due to higher impairment charges recognized in 2014, including a write-off amounting to EUR 12,490 thousand for the discontinued PlusTV brand following introduction of the DNA Welho brand, as well as write-offs amounting to EUR 8,862 thousand for old information systems in connection with upgrades of information systems.

Other Operating Expenses

DNA's other operating expenses for the year ended December 31, 2015 was EUR 123,510 thousand, an increase of EUR 670 thousand, or 0.5 percent, as compared to EUR 122,840 thousand for the year ended December 31, 2014. The increase was primarily due to increased maintenance expenses, mainly due to expenses for certain premises that were previously the headquarter of TDC Finland and, to a lesser extent, to network electricity costs.

Operating Result

DNA's operating result for the year ended December 31, 2015 was EUR 73,093 thousand, an increase of EUR 47,492 thousand, or 185.5 percent, as compared to EUR 25,601 thousand for the year ended December 31, 2014. The increase was primarily due to growth in mobile services revenues and fixed non-voice revenues and improved operational efficiency primarily following reduction of duplicate functions. In addition, the operating result for the reference period of 2014 was negatively affected by significant items affecting comparability in a total amount of EUR 30,079 thousand, consisting mainly of the write-off of the PlusTV brand (EUR 12,490 thousand) after the introduction of the DNA Welho brand, write-offs in relation to upgrades of information systems (EUR 8,862 thousand), provisions related to cooperation proceedings (EUR 4,806 thousand) and transaction costs related to the acquisition of TDC (EUR 3,290 thousand).

The following table sets forth DNA's operating result by segment for the years ended December 31, 2015 and 2014:

	For the year ended December 31,				Change	
	2015 (audited)	% of net sales	2014 (audited, restated)	% of net sales	Amount	%
	(EUR in thousands, except percentages)					
Operating result						
Consumer segment	56,012	9.4%	22,974	3.7%	33,038	143.8%
Corporate segment	17,081	7.3%	2,628	1.2%	14,454	550.1%
Total	**73,093**	**8.8%**	**25,601**	**3.1%**	**47,492**	**185.5%**

The operating result for the Consumer segment for the year ended December 31, 2015 was EUR 56,012 thousand, an increase of EUR 33,038 thousand, or 143.8 percent, as compared to EUR 22,974 thousand for the year ended December 31, 2014. The increase was mainly due to growth in mobile service net sales and improved operational efficiency, as well as the operating result for the year ended December 31, 2014 being burdened by the write-off of the PlusTV brand and write-off in relation to upgrades of information systems.

The operating result for the Corporate segment for the year ended December 31, 2015 was EUR 17,081 thousand, an increase of EUR 14,454 thousand, or 550.1 percent, as compared to EUR 2,628 thousand for the year ended December 31, 2014. The increase was mainly due to growth in mobile service net sales and improved operational efficiency, as well as the operating result for the year ended December 31, 2014 being burdened by the write-off of the PlusTV brand and write-off in relation to upgrades of information systems.

Finance Income

DNA's finance income for the year ended December 31, 2015 was EUR 986 thousand, an increase of EUR 95 thousand, or 10.7 percent, as compared to EUR 891 thousand for the year ended December 31, 2014. The increase was primarily due to accretion of the interest component on the non-current trade receivables.

Finance Expense

DNA's finance expenses for the year ended December 31, 2015 were EUR 12,499 thousand, an increase of EUR 1,157 thousand, or 10.2 percent, as compared to EUR 11,342 thousand for the year ended December 31, 2014. The increase was primarily due to increased net debt and growth in interest expense on financial liabilities, mainly due to interest payments on the unlisted, unsecured bond of EUR 150 million issued in November 2014.

Income Tax

DNA's income taxes for the year ended December 31, 2015 were EUR 11,544 thousand, an increase of EUR 8,773 thousand, or 316.6 percent, as compared to EUR 2,771 thousand for the year ended December 31, 2014. The increase was due to an improvement in operating result. As at December 31, 2015, DNA's effective tax rate (calculated by dividing income tax expense with net result before income tax) was 18.7 percent, compared to 18.3 percent as at December 2014.

Net Result

For the reasons described above, DNA's net result for the year ended December 31, 2015 was EUR 50,049 thousand, an increase of EUR 37,652 thousand, or 303.7 percent, as compared to EUR 12,397 thousand for the year ended December 31, 2014.

The Year Ended December 31, 2014 as Compared to the Year Ended December 31, 2013

Net Sales

The following table sets forth DNA's revenues for the years ended December 31, 2014 and 2013:

	For the year ended December 31,					
	2014 (unaudited, unless otherwise indicated, restated)	% of net sales	2013 (unaudited, unless otherwise indicated, restated)	% of net sales	Change Amount	%
	(EUR in thousands, except percentages)					
Revenues						
Mobile services revenues[1]	333,026	40.0%	326,156	42.6%	6,869	2.1%
Mobile equipment[2]	105,145	12.6%	107,494	14.0%	(2,349)	(2.2)%
Mobile interconnection and inbound roaming revenues[3]	77,155	9.3%	89,530	11.7%	(12,375)	(13.8)%
Fixed non-voice revenues[4]	280,088	33.7%	211,306	27.6%	68,782	32.6%
Fixed voice revenues[5]	36,127	4.3%	30,606	4.0%	5,521	18.0%
Total net sales	**831,541**[1]	**100.0%**	**765,092**[1]	**100.0%**	**66,449**	**8.7%**

(1) Audited, restated

(2) DNA's mobile services revenues consist of revenues from consumer mobile handset services, consumer mobile broadband services, mobile handset corporate communication services, mobile broadband corporate networking services, corporate M2M services and corporate wholesale MVNO services.

(3) DNA's mobile equipment revenues consist of revenues from consumer and corporate sale of mobile equipment (such as mobile phones, tablets and dongles).

(4) DNA's mobile interconnection and inbound roaming revenues consist of interconnection revenues from other operators for calls terminated on DNA's network and roaming revenues from other operators for calls made by subscribers of foreign MNOs while traveling in Finland.

(5) DNA's fixed non-voice revenues consist of revenues from consumer fixed broadband services, consumer TV and video services, corporate fixed data services (such as fixed broadband for SOHOs and MPLS/IP-VPN services for mid/large customers), corporate value added services (such as security and cloud/hosting services), consumer sale of fixed equipment (such as set-top boxes), corporate sale of fixed equipment (such as PBX, video and LAN/WLAN) and fixed non-voice corporate wholesale services (such as access, antenna and capacity services).

(6) DNA's fixed voice revenues consist of revenues from consumer fixed voice services, fixed voice corporate communication services and fixed voice corporate wholesale services, including fixed voice interconnection revenue.

DNA's net sales for the year ended December 31, 2014 were EUR 831,541 thousand, an increase of EUR 66,449 thousand, or 8.7 percent, as compared to EUR 765,092 thousand for the year ended December 31, 2013. The increase was primarily due to the growth in fixed non-voice and fixed voice revenues as a result of the acquisition of TDC Finland in June 2014, which have been consolidated into DNA's financial statements as of June 1, 2014.

DNA's mobile services revenues for the year ended December 31, 2014 were EUR 333,026 thousand, an increase of EUR 6,869 thousand, or 2.1 percent, as compared to EUR 326,156 thousand for the year ended December 31, 2013. DNA attributes the increase mainly to increased sales to both consumer and corporate customers of mobile handset and mobile broadband subscriptions.

DNA's mobile equipment revenues for the year ended December 31, 2014 were EUR 105,145 thousand, a decrease of EUR 2,349 thousand, or 2.2 percent, as compared to EUR 107,494 thousand for the year ended December 31, 2013. DNA attributes the decrease mainly to a decline in corporate equipment sales and declining prices for high-end mobile devices.

DNA's mobile interconnection and inbound roaming revenues for the year ended December 31, 2014 were EUR 77,155 thousand, a decrease of EUR 12,375 thousand, or 13.8 percent, as compared to EUR 89,530 thousand for the year ended December 31, 2013. DNA attributes the decrease mainly to the reduction in MTRs from 2.80 eurocents per minute as at December 31, 2013, to 1.87 eurocents per minute as at December 31, 2014.

DNA's fixed non-voice revenues for the year ended December 31, 2014 were EUR 280,088 thousand, an increase of EUR 68,782 thousand, or 32.6 percent, as compared to EUR 211,306 thousand for the year ended December 31, 2013. The increase in DNA's fixed non-voice revenues was largely driven by the acquisition of TDC Finland, which has been consolidated into DNA's financial statements as of June 1, 2014. In addition, the increase is due to the acquisition of Digi TV Plus Oy which has been consolidated into DNA's financial statements as of September 1, 2013, thus having a lesser impact on revenues for the year ended December 31, 2013.

DNA's fixed voice revenues for the year ended December 31, 2014 were EUR 36,127 thousand, an increase of EUR 5,521 thousand, or 18.0 percent, as compared to EUR 30,606 thousand for the year ended December 31, 2013. DNA attributes the increase mainly to the acquisition of TDC Finland, which has been consolidated into DNA's financial statements as of June 1, 2014 and, to a lesser extent, to increased prices for DNA's fixed voice services.

The following table sets forth DNA's revenues by segment for the years ended December 31, 2014 and 2013:

	For the year ended December 31,				Change	
	2014 (audited, restated)	% of net sales	2013 (audited, restated)	% of net sales	Amount	%
	(EUR in thousands, except percentages)					
Revenues						
Consumer segment revenues	620,372	74.6%	592,089	77.4%	28,283	4.8%
Corporate segment revenues	211,168	25.4%	173,003	22.6%	38,165	22.1%
Total net sales	**831,541**	**100.0%**	**765,092**	**100.0%**	**66,449**	**8.7%**

Net sales for the Consumer segment for the year ended December 31, 2014 were EUR 620,372 thousand, an increase of EUR 28,283 thousand, or 4.8 percent, as compared to EUR 592,089 thousand for the year ended December 31, 2013. The increase was primarily due to increased sales of mobile services to corporate customers and fixed broadband services to housing associations.

Net sales for the Corporate segment for the year ended December 31, 2014 were EUR 211,168 thousand, an increase of EUR 38,165 thousand, or 22.1 percent, as compared to EUR 173,003 thousand for the year ended December 31, 2013. The increase was primarily due to increased sales as a consequence of the acquisition of TDC Finland in June 2014.

The following table sets forth DNA's revenues for the years ended December 31, 2014 and 2013:

	For the year ended December 31,				Change	
	2014 restated (audited)	% of net sales	2013 (audited)	% of net sales	Amount	%
	(EUR in thousands, except percentages)					
Revenues						
Sale of goods	111,996	13.5%	112,816	14.7%	(820)	(0.7)%
Revenue from services	717,649	86.3%	651,691	85.2%	65,958	10.1%
Revenue from construction contracts	1,896	0.2%	585	0.1%	1,311	224.1%
Total	**831,541**	**100.0%**	**765,092**	**100.0%**	**66,449**	**8.7%**

Sale of goods for the year ended December 31, 2014 were EUR 111,996 thousand, a decrease of EUR 820 thousand, or 0.7 percent, as compared to EUR 112,816 thousand for the year ended December 31, 2013. The decrease was primarily due to a decline in corporate equipment sales and declining prices for high-end mobile devices.

Revenue from services for the year ended December 31, 2014 was EUR 717,649 thousand, an increase of EUR 65,958 thousand, or 10.1 percent, as compared to EUR 651,691 thousand for the year ended December 31, 2013. The increase was primarily due to the acquisition of TDC Finland. The positive development of mobile and fixed-network broadband sales also contributed to the increase. The weak economic situation in Finland affected the demand for traditional pay TV services and mobile devices in particular.

Other Operating Income

DNA's other operating income for the year ended December 31, 2014 was EUR 1,837 thousand, a decrease of EUR 567 thousand, or 23.6 percent, as compared to EUR 2,404 thousand for the year ended December 31, 2013. The decrease was primarily due to a decline in net gains from disposals of property, plant and equipment, as well as a decline in other income.

Materials and Services

Materials and services costs for the year ended December 31, 2014 were EUR 407,326 thousand, an increase of EUR 37,108 thousand, or 10.0 percent, as compared to EUR 370,218 thousand for the year ended December 31, 2013. This growth in materials and services costs was driven primarily by increased TV and video content expenses and DTT distribution costs following the acquisition of PlusTV, as well as materials and services costs relating to the acquisition of TDC Finland.

Employee Benefit Expenses

The following table sets forth certain data for employee benefits expenses for the year ended December 31, 2014 and 2013:

	For the year ended December 31,		Change	
	2014 (audited)	2013 (audited)	Amount	%
	(EUR in thousands, except percentages)			
Employment benefits				
Wages and salaries	81,694	69,386	12,308	17.7%
Pension expenses—defined contribution plan	14,577	12,217	2,360	19.3%
Pension expenses—defined benefit plan	114	(203)	317	N/A
Share-based payments	286	141	145	102.8%
Other personnel expenses	4,314	3,886	428	11.0%
Total	**100,985**	**85,427**	**15,558**	**18.2%**

Employee benefit expenses for the year ended December 31, 2014 were EUR 100,985 thousand, an increase of EUR 15,558 thousand, or 18.2 percent, as compared to EUR 85,427 thousand for the year ended December 31, 2013. This growth in employee benefit expenses was driven by increased wages and salaries with the average number of personnel for the year ended December 31, 2014 increasing to 1,657 from 1,506 for the year ended December 31, 2013 following the acquisitions of PlusTv and TDC Finland. The total number of personnel for the year end increased to 1,748 from 1,563 for the year ended 2013. In addition, personnel expenses were increased by payments for resigned personnel due to the cooperation negotiations following the acquisition of PlusTV.

Depreciation, Amortization and Impairments

The following table sets forth depreciation and amortization expenses as well as impairment charges for the year ended December 31, 2014 and 2013:

	For the year ended December 31,		Change	
	2014 (audited, restated)	2013 (audited)	Amount	%
	(EUR in thousands)			
Amortization of intangible assets				
Customer base	9,434	8,480	954	11.3%
Brand	949	1,759	(810)	(46.0)%
Other intangible assets	34,030	26,951	7,079	26.3%
Total	**44,413**	**37,189**	**7,224**	**19.4%**
Depreciation of property, plant and equipment				
Buildings and constructions	2,246	2,100	146	7.0%
Machinery and equipment	108,614	107,806	808	0.7%
Total	**110,860**	**109,905**	**955**	**0.9%**
Impairment charges				
Brand	12,490	0	12,490	N/A
Other intangible assets	8,862	0	8,862	N/A
Total	**21,352**	**0**	**21,352**	**N/A**
Total depreciation, amortization and impairments	**176,626**	**147,094**	**29,532**	**20.1%**

Depreciation, amortization and impairments for the year ended December 31, 2014 was EUR 176,626 thousand, an increase of EUR 29,532 thousand, or 20.1 percent, as compared to EUR 147,094 thousand for the year ended December 31, 2013. The growth was mainly due to two write-offs made in 2014 and the acquisition of TDC Finland in June 2014.

Other Operating Expenses

DNA's other operating expenses for the year ended December 31, 2014 was EUR 122,840 thousand, an increase of EUR 395 thousand, or 0.3 percent, as compared to EUR 122,445 thousand for the year ended December 31, 2013. The increase was primarily due to an increase in rental and maintenance expenses, mainly due to expenses for certain premises that were previously the headquarter of TDC Finland and, to a lesser extent, to network electricity costs offset in part by a decline in other expenses.

Operating Result

DNA's operating result for the year ended December 31, 2014 was EUR 25,601 thousand, a decrease of EUR 16,711 thousand, or 39.5 percent, as compared to EUR 42,312 thousand for the year ended December 31, 2013. The decrease was primarily due to significant items affecting comparability, which burdened the operating result for the year ended December 31, 2014. The items affecting comparability for the year ended December 31, 2014 were EUR 30,079 thousand in total and consisted mainly of the write-off of the PlusTV brand (EUR 12,490 thousand) after the introduction of the DNA Welho brand, write-offs for old information systems in connection with upgrades of information systems (EUR 8,862 thousand) and provisions related to cooperation proceedings (EUR 4,806 thousand) and transaction costs related to the acquisition of TDC Finland (EUR 3,290 thousand). The negative impact of the write-offs was partially offset by the positive development of mobile and fixed-network broadband sales.

The following table sets forth DNA's operating result by segment for the years ended December 31, 2014 and 2013:

	For the year ended December 31,					
	2014 (audited, restated)	% of net sales	2013 (audited, restated)	% of net sales	Change Amount	Change %
	(EUR in thousands, except percentages)					
Operating result						
Consumer segment	22,974	3.7%	34,397	5.8%	(11,423)	(33.2)%
Corporate segment	2,628	1.2%	7,915	4.6%	(5,287)	(66.8)%
Total	**25,601**	**3.1%**	**42,312**	**5.1%**	**(16,711)**	**(39.5)%**

The operating result for the Consumer segment for the year ended December 31, 2014 was EUR 22,974 thousand, a decrease of EUR 11,423 thousand, or 33.2 percent, as compared to EUR 34,397 thousand for the year ended December 31, 2013. The decrease was mainly due to the write-off of the PlusTV brand and write-off in relation to upgrades of information systems.

The operating result for the Corporate segment for the year ended December 31, 2014 was EUR 2,628 thousand, a decrease of EUR 5,287 thousand, or 66.8 percent, as compared to EUR 7,915 thousand for the year ended December 31, 2013. The decrease was primarily due to higher depreciation and transaction costs related to the acquisition of TDC Finland (EUR 3,290 thousand).

Finance Income

DNA's finance income for the year ended December 31, 2014 was EUR 891 thousand, a decrease of EUR 319 thousand, or 26.4 percent, as compared to EUR 1,210 thousand for the year ended December 31, 2013. The decrease was primarily due to accretion of the interest component on the non-current trade receivables.

Finance Expense

DNA's finance expenses for the year ended December 31, 2014 were EUR 11,342 thousand, an increase of EUR 4,167 thousand, or 58.1 percent, as compared to EUR 7,175 thousand for the year ended December 31, 2013. The increase was primarily due to growth in borrowings from EUR 353,724 thousand as at December 31, 2013 to EUR 490,034 thousand as at December 31, 2014.

Income Tax

DNA's income taxes for the year ended December 31, 2014 were EUR 2,771 thousand, a decrease of EUR 5,630 thousand, or 67.0 percent, as compared to EUR 8,401 thousand for the year ended December 31, 2013. The decrease was due to a decline in taxable income. DNA's taxable income for the year ended December 31, 2014, decreased as there were significant cost items affecting comparability. As at December 31, 2014, DNA's effective tax rate was 18.3 percent, a decrease from 23.1 percent as at December 31, 2013. The change in effective tax rate (calculated by dividing income tax expense with net result before income tax) was primarily due to the decrease of corporate tax rate from 24.5 percent in 2013 to 20.0 percent in 2014 as a result of a change in Finnish tax legislation.

Net Result

For the reasons described above, DNA's net result for the year ended December 31, 2014 was EUR 12,397 thousand, a decrease of EUR 15,516 thousand, or 55.6 percent, as compared to EUR 27,913 thousand for the year ended December 31, 2013.

Liquidity and Capital Resources

In the periods presented, DNA's principal source of liquidity has been cash flow from operations, issued bonds and bank loans. When necessary, DNA has utilized credit facilities. DNA's liquidity requirements principally arise from regular operating expenses, certain larger development projects as well as acquisitions. As at September 30, 2016, DNA's cash and cash equivalents amounted to EUR 48,369 thousand, net debt to EUR 373,150 thousand and unused credit facilities to EUR 165,000 thousand.

Cash Flows

The following table sets forth a summary of DNA's cash flow data for the periods indicated:

	For the nine months ended September 30,		For the year ended December 31,		
	2016	2015 (restated)	2015 (restated)	2014 (restated)	2013 (restated)
	(unaudited)		(audited)		
	(EUR in thousands)		(EUR in thousands)		
CONSOLIDATED STATEMENT OF CASH FLOWS					
Net cash generated from operating activities	188,106	180,180	247,012	163,047	136,440
Net cash used in investing activities	(108,448)	(100,984)	(149,735)	(286,736)	(170,012)
Net cash generated from/(used in) financing activities	(56,555)	(77,263)	(82,610)	107,232	52,403
(Decrease)/increase in cash and cash equivalents	23,104	1,933	14,667	(16,456)	18,831
Cash and cash equivalents at beginning of period	25,266	10,599	10,599	27,055	8,224
Cash and cash equivalents at end of period	48,369	12,531	25,266	10,599	27,055

Cash Flow from Operating Activities

DNA's net cash flow from operating activities for the nine months ended September 30, 2016 was EUR 188,106 thousand, an increase of EUR 7,926 thousand, or 4.4 percent, as compared to EUR 180,180 thousand for the nine months ended September 30, 2015. The increase was primarily due to an increase in operating result.

DNA's net cash flow from operating activities for the year ended December 31, 2015 was EUR 247,012 thousand, an increase of EUR 83,965 thousand, or 51.5 percent, as compared to EUR 163,047 thousand for the year ended December 31, 2014. The increase was primarily due to a significant increase in operating result and EBITDA, tax returns as well as improved working capital control.

DNA's net cash flow from operating activities for the year ended December 31, 2014 was EUR 163,047 thousand, an increase of EUR 26,607 thousand, or 19.5 percent, as compared to EUR 136,440 thousand for the year ended December 31, 2013. The increase was primarily due to an increase in EBITDA, an improved working capital position, as well as a decline in tax expenses.

Cash Flow used in Investing Activities

DNA's net cash flow used in investing activities for the nine months ended September 30, 2016 was EUR 108,448 thousand, an increase of EUR 7,464 thousand, or 7.4 percent, as compared to EUR 100,984 thousand for the nine months ended September 30, 2015. The increase was primarily due to investments in fixed non-voice services, the joint operation network with Suomen Yhteisverkko Oy and visual improvements of DNA Kauppa stores.

DNA's net cash flow used in investing activities for the year ended December 31, 2015 was EUR 149,735 thousand, a decrease of EUR 137,001 thousand, or 47.8 percent, as compared to EUR 286,736 thousand for the year ended December 31, 2014. For the year ended December 31, 2015, investments in property, plant and equipment and intangible assets amounted to EUR 152,398 thousand and in 2014 EUR 129,629 thousand respectively. In 2014, DNA acquired TDC Finland for a transaction price of EUR 155 million net of cash and cash equivalent acquired and carried out investments in 4G technology.

DNA's net cash flow used in investing activities for the year ended December 31, 2014 was EUR 286,736 thousand, an increase of EUR 116,724 thousand, or 68.7 percent, as compared to EUR 170,012 thousand for the year ended December 31, 2013. The increase was primarily due to the acquisition of TDC Finland in June 2014, partly offset by the acquisition of PlusTV in 2013, as well as investments in 4G technology in DNA's mobile communications networks. For the year ended December 31, 2014, investments in property, plant and equipment and intangible assets amounted to EUR 129,629 thousand and in 2013 EUR 129,976 thousand respectively. In 2013, DNA acquired PlusTV and carried out investments in 4G technology.

Cash Flow from/used in Financing Activities

DNA's net cash flow used in financing activities for the nine months ended September 30, 2016 was EUR 56,555 thousand, a decrease of EUR 20,708 thousand, or 26.8 percent, as compared to EUR 77,263 thousand for the nine months ended September 30, 2015. The decrease was primarily due to decreased repayment of borrowings.

DNA's net cash flow used in financing activities for the year ended December 31, 2015 was EUR 82,610 thousand, a decrease of EUR 189,842 thousand as compared to cash flow of EUR 107,232 thousand generated from financing activities for the year ended December 31, 2014. The decrease was primarily due to the issuance of an unlisted, unsecured bond of EUR 150 million in November 2014 having a significantly positive impact on the net cash flow generated in financing activities in 2014 (see "*—Borrowings and Net Debt*").

DNA's net cash flow generated from financing activities for the year ended December 31, 2014 was EUR 107,232 thousand, an increase of EUR 54,829 thousand as compared to EUR 52,403 thousand generated from financing activities for the year ended December 31, 2013. The increase was primarily due to the issuance of an unlisted, unsecured bond of EUR 150 million in November 2014 (see "*—Borrowings and Net Debt*").

Borrowings and Net Debt

The following table sets forth carrying values of DNA's outstanding borrowings as at the dates indicated:

	As at September 30, 2016	**As at December 31,**		
		2015	**2014**	**2013**
	(unaudited)	**(audited, unless otherwise indicated)**		
	(EUR in thousands)	**(EUR in thousands)**		
Non-current borrowings				
Loans from financial institutions	92,600	113,954	74,524	118,658
Bonds	248,255	247,797	247,232	97,715
Other loan commitments	0	0	4,616	7,693
Finance lease liabilities	474	583	733	1,780
Total	**341,330**	**362,334**	**327,105**	**225,845**
Current borrowings				
Loans from financial institutions	35,138	35,138	44,134	47,113
Commercial papers	44,884	39,904	114,604	74,701
Other loan commitments	0	0	3,076	4,446
Finance lease liabilities	167	168	1,115	1,619
Total	**80,189**	**75,210**	**162,929**	**127,879**
Total borrowings	**421,519**	**437,544**	**490,034**	**353,724**
Less: Cash and cash equivalents	(48,369)	(25,266)	(10,599)	(27,055)
Net debt	**373,150**	**412,278**(1)	**479,435**(1)	**326,699**(1)

(1) Unaudited.

In 2015, DNA entered into a EUR 250 million (nominal value) credit facilities agreement with Nordea Bank Finland Plc, Danske Bank A/S, Pohjola Bank plc, Svenska Handelsbanken AB (publ) and Skandinaviska Enskilda Banken AB (publ), divided into a EUR 100 million term credit facility and a EUR 150 million revolving credit facility. The term credit facility is repayable in biannual installments with final instalments due in 2020. The carrying value for the facility as at September 30, 2016 was EUR 89,643 thousand. The credit facilities agreement contains financial covenants such as equity ratio requirement of at least 35 percent and net debt to EBITDA ratio below 3.50:1. In addition, the credit facilities agreement contains certain limitations for instance on disposal of assets, a negative pledge covenant and cross default and change of control clauses. Both facilities have a maturity of five years, however the revolving credit has options to be extended by a maximum of two years with the consent of the creditors. In September 2016, the revolving credit facility was extended for the first time by one year until October 2021 with the consent of all creditors. As at September 30, 2016, the revolving credit facility was fully undrawn.

DNA has issued two unlisted, unsecured bonds, one of EUR 150 million in November 2014 and one of EUR 100 million in November 2013 with a combined carrying value as at September 30, 2016 of EUR 248,255 thousand. The bonds contain for instance negative pledge covenants, limitations on permitted secured indebtedness and cross default and change of control clauses. The bond issued in 2013 matures in November 2018 and the bond issued in 2014 matures in March 2021.

In 2010, DNA entered into a finance contract with the European Investment Bank for a maximum of EUR 120 million financing expansion of the 3G network of which DNA utilized EUR 80 million in February 2012. DNA cannot withdraw additional financing under this contact. The financing is guaranteed by a bank. As at September 30, 2016, with carrying value of EUR 38 million of the financing was drawn and remained outstanding. The finance contract contains for instance project related covenants, a negative pledge covenant, certain limitations on disposal of assets and cross default and change of control clauses. The loan shall be repaid by quarterly payments with final instalments due in 2019.

In addition, DNA has a domestic commercial paper program in place for EUR 150 million, under which the carrying value of EUR 45 million had been drawn as at September 30, 2016. Maturities for the amounts outstanding vary, typically from five to nine months.

As at September 30, 2016, DNA had unused credit limits of EUR 165 million. See "*Risk Factors—Risks Related to DNA's Operating Environment and Business—Difficulties in accessing additional financing or complying with the financial covenants included in DNA's credit facilities as well as increases in costs of financing could have an adverse effect on DNA's financial position.*".

The following table sets forth DNA's debt maturity schedule at nominal values as at September 30, 2016:

	2016	2017	2018	2019	2020	2021	Total
			EUR million				
Loans from financial institutions	14	35	35	24	20	—	128
Bonds	—	—	100	—	—	150	250
Commercial papers	40	5	—	—	—	—	45
Total(1)	**54**	**40**	**135**	**24**	**20**	**150**	**423**

(1) Excludes finance lease liabilities

The following table sets forth the low weighted average cost of debt of 2.0 percent as at September 30, 2016:

	Maturity	Nominal amount (EUR millions)	Cost of debt
Unsecured bond 2.875% coupon	March 2021	150	2.93%
Unsecured bond 2.625% coupon	November 2018	100	2.73%
Loans from financial institutions and commercial papers	October 2016–October 2020	173	0.80%
Of which EIB loan	February 2019	38	
Of which Commercial Paper	October 2016–March 2017	45	
Of which Loans from financial institutions	October 2020	90	
Total(1)		**423**	**2.0%**

(1) Excludes finance lease liabilities

Working Capital Statement

DNA's management believes that the working capital available to it is sufficient for at least the twelve months following the date of this Offering Circular.

Certain Contractual Obligations

The following table summarizes the principal categories of DNA's contractual obligations and contractual commitments as at September 30, 2016:

	Less than 1 Year	1 to 5 Years	Over 5 Years
		(unaudited) (EUR in millions)	
Contractual commitments			
Borrowings (excl. finance lease liabilities)	80.0	340.9	—
Finance lease liabilities	0.2	0.5	—
Operating leases[1]	47.5	42.4	30.4
Total contractual commitments	101.4	412.2	30.4

(1) Includes minimum future payments for non-cancellable leases including business premises, telecommunication premises, masts, vehicles, IT equipment leased under operating lease agreements. For additional information see note 31 to the Audited consolidated financial statements included in the F-pages to this Offering Circular.

(2) In addition, DNA's agreements with some of its main suppliers contain minimum order quantities (units) for the contract period. As DNA has discretion over which units to purchase over the contract period and the price per unit varies, DNA is unable to estimate the exact EUR amount for these commitments.

Off-balance-sheet Liabilities

Except for the contractual obligations and contingent liabilities set forth in "*—Certain Contractual Obligations*" above, DNA does not have unconsolidated structured entities or off-balance-sheet arrangements that are reasonably likely to have a material impact on DNA's business, financial condition and results of operations.

Capital Expenditure and Investments

Past Investments

For the years ended December 31, 2015, 2014 and 2013, DNA's capital expenditure was EUR 154,664 thousand, or 18.7 percent of total net sales, EUR 149,553 thousand, or 18.0 percent of net sales, and EUR 128,415 thousand, or 16.8 percent of net sales, respectively. For the years ended December 31, 2015, 2014 and 2013, DNA's operative capital expenditure was EUR 147,950 thousand, or 17.9 percent of net sales, EUR 142,839 thousand, or 17.2 percent of net sales, and EUR 121,701 thousand, or 15.9 percent of net sales, respectively. In calculating operative capital expenditure DNA excludes fees for spectrum licenses obtained through auction processes. The following table sets forth DNA's capital expenditure for the periods indicated:

	For the nine months ended September 30,		For the year ended December 31,		
	2016	2015	2015	2014	2013
	(unaudited) (EUR in thousands)		(unaudited unless otherwise indicated) (EUR in thousands)		
Capital expenditure					
Total capital expenditure[1]	**84,878**	**83,740**	**154,664[3]**	**149,553[3]**	**128,415[3]**
Spectrum licenses	—	—	(6,714)	(6,714)	(6,714)
Operative capital expenditure[2]	84,878	83,740	147,950	142,839	121,701

(1) Capital expenditure is defined as additions to property, plant and equipment and intangible assets excluding business acquisitions, gross acquisition cost of spectrum license and additions through finance leases and asset retirement obligations and including annual cash instalments for the spectrum license.

(2) Operative capital expenditure means capital expenditure excluding annual cash instalments for spectrum license.

(3) Audited

The expansion of DNA's footprint and capacity drove DNA's fixed capital expenditure investments from 2013 to 2015 as well as in the first nine months of 2016. The focus of the investments has been on providing high quality connections in mobile broadband and cable broadband. During the period under review, the capital expenditures were mainly related to network modernization in mobile networks, network coverage expansion in 3G and 4G, footprint expansion and capacity investments in cable networks, and back-haul transmission expansion as well as relating to the fixed network. The fixed network services also have benefited from capital expenditure in new service platforms and end customer equipment. For the years ended December 31, 2015, 2014 and 2013, DNA's operative capital expenditure was 95.7 percent of total capital expenditure, 95.5 percent of total capital expenditure, and 94.8 percent of total capital expenditure, respectively.

Of its capital expenditure in 2015 and 2014, DNA has spent less than 5 percent annually on license fees. In the 2013 auction for redistribution of 800 MHz spectrum licenses, DNA acquired 2 × 10 MHz of frequency bands for EUR 33.6 million. DNA's license for the provision of services on 800 MHz band is valid from January 1, 2014 until December 31, 2033. The auction price for the 800 MHz spectrum licenses is paid in equal installments over a five year period from the beginning of the license term and has thereby affected capital expenditure for the years 2014 and 2015 by EUR 6.7 million per year. The 800 MHz spectrum license payments will continue to affect DNA's capital expenditure in the financial years 2016 and 2017 by EUR 6.7 million per year.

During the period under review, DNA has renewed its IT systems, analytics tools and operating models. In 2014 DNA organized its IT function very close to the business units and introduced new agile working methods. In 2015, DNA launched over 30 IT projects including adoption of a new online store platform and introduction of new systems for real-time analytics and data management. See also "*Business—Network and Infrastructure*", "*Business—Licenses and Frequencies*" and "*Business—Information Technology Systems*").

DNA's capital expenditure for the nine months ended September 30, 2016 was EUR 84,878 thousand. Capital expenditures in the nine months ended September 30, 2016 mainly related to investments in the 3G and 4G networks and in fiber and transfer systems.

DNA's capital expenditure for the year ended December 31, 2015 was EUR 154,664 thousand, an increase of EUR 5,111 thousand as compared to EUR 149,553 thousand for the year ended December 31, 2014. DNA's capital expenditure for the year ended December 31, 2015 related primarily to investments in the 3G and 4G networks and in fiber and transfer systems.

DNA's capital expenditure for the year ended December 31, 2014 was EUR 149,553 thousand, an increase of EUR 21,138 thousand as compared to EUR 128,415 thousand for the year ended December 31, 2013. DNA's capital expenditure for the year ended December 31, 2014 related primarily to investments in the 3G and 4G networks and in fiber and transfer systems.

DNA's capital expenditure for the year ended December 31, 2013 was EUR 128,415 thousand. Capital expenditures in the year ended December 31, 2013 were mainly related to investments in the 3G and 4G networks, in fiber and transfer systems and in the TV business.

Future Investments

DNA prepares to attend the auction of the 700 MHz spectrum licenses in 2016. In addition, DNA is currently developing the BSS system utilized in the Consumer segment into a version supporting the Corporate business. DNA will start the migration of Corporate business customers during the first quarter of 2017 and estimates that the process will be completed in 2019. The IT system investments (and other ordinary investments) will be covered by cash flow from operating activities and existing cash and cash equivalents.

Financial Risk Management

DNA's activities expose it to financial risks, such as liquidity risk, interest rate risk, credit risk and to a lesser extent foreign exchange risk, which are summarized in the following sections. The financial risk management is carried out by a central group treasury department under policies approved by the Board of Directors. For additional information on DNA's financial risk management, see note 3 to the Audited Consolidated Financial Statements in "*Financial Statements—The Company's audited consolidated financial statements as at and for the year ended December 31, 2015, 2014 and 2013—Notes to the consolidated financial statements—Financial risk management.*"

The following discussions do not address other risks that DNA faces in the normal course of business.

Liquidity Risk

Cash flow forecasting and determining any related uncertainties are key measures whereby DNA manages liquidity risk. Cash flow forecasting is performed centrally by DNA's treasury department. The department monitors rolling forecasts of DNA's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed credit facilities at all times so that DNA does not breach the credit limits or covenants on any of its credit facilities. The Company primarily takes care of DNA's cash management centrally with cash pool arrangements.

Interest Rate Risk

DNA's interest rate risk primarily comprises interest rate sensitivity of financial items, referring to the direct effect of changes in the interest rate level on financial items, mainly interest-bearing loans and historically, derivative instruments. DNA's interest rate risk arises from long-term borrowings that are issued at floating rates and expose DNA to cash flow interest rate risk which has in the past been partially offset by hedging with interest rate swaps. DNA does not at the date of this Offering Circular hedge any of its borrowings, however, DNA may from time to time engage into interest rate derivatives to hedge interest rate risk. Borrowings issued at fixed rates, mainly the fixed rate bonds, expose DNA to fair value interest rate risk. As at September 30, 2016, 59 percent of DNA's borrowings were fixed rate and 41 percent floating rate borrowings.

Credit Risk

DNA's credit exposure comprises the credit risk related to the receivables from business operations and the counterparty risk associated with other financial instruments mainly with cash in bank.

DNA does not have significant credit risk concentrations with respect to cash in bank as the cash balance is diversified in various financial institutions with good credit ratings.

DNA has no significant credit risk concentrations related to receivables because its clientele is widely spread, and no single customer or group of customers is dominant from DNA's perspective. For more information on DNA's trade receivables by maturity, see note 3 to the Audited consolidated financial statements included elsewhere in this Offering Circular. New customers are subjected to credit check as part of the ordering process, and if any existing customers encounter credit problems, unsecured new sales are not made. In addition, mobile equipment sales are capped if outstanding sales reach a set limit. Credit losses for the year ended December 31, 2015 totaled EUR 3.0 million, for the year ended December 31, 2014 EUR 3.6 million and for the year ended December 31, 2013 EUR 8.9 million. The maximum exposure to credit risk at the reporting date is the carrying value of financial assets. In certain orders, customers with weaker solvency are required to pay the basic charges in advance as a deposit.

Foreign Exchange Risk

DNA operates mainly domestically and therefore its foreign exchange risk is limited. DNA's foreign exchange risk arises primarily with respect to its purchases in U.S. Dollar.

Critical Accounting Judgments and key sources of estimation uncertainty

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies. These estimates are based on historical experience and various other assumptions that management believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in all subsequent periods.

DNA's management believes that the following areas comprise the most difficult, subjective or complex judgments it has to make in the preparation of the financial statements. For information on accounting policies applied, see the respective sections of note 2 "*Accounting policies*" to the Audited consolidated financial statements included elsewhere in this Offering Circular.

Business acquisitions

Net assets acquired through acquisitions are measured at fair value. The consideration exceeding the fair value of assets acquired is recognized as goodwill. The measurement of fair value of the assets is based on estimated market value of similar assets (tangible assets), estimate of expected cash flows (intangible assets such as customer relationships) or estimate of payments required to fulfil an obligation (such as assumed provisions).

Active markets, where fair values for assets and liabilities are available, exist only seldom for the acquired net assets. Therefore the valuation exercise, which is based on repurchase value, expected cash flows or estimated payments, requires management judgement and assumptions. Management believes that the estimates and assumptions used are sufficiently reliable for determining fair values. See note 5 "Business combinations to the Audited consolidated financial statements for the Company's acquisitions."

Valuation of intangible assets and property, plant and equipment

Intangible assets including goodwill represent 40 percent of DNA's total assets in 2015 (41 percent in 2014 and 38 percent in 2013) and property, plant and equipment represent 36 percent of DNA's total assets in 2015 (35 percent in 2014 and 36 percent in 2013).

Depreciation and amortization expenses

Depreciation and amortization expenses are based on management's estimates of residual value, depreciation and amortization method and the useful life of property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the amortization or depreciation charges recognized through the income statement. Technological developments are difficult to predict and the Group's views on the trends and pace of development may change over time. Critical estimates in the evaluations of useful lives for tangible and intangible assets include, but are not limited to, license period and expected developments in technology and markets and in the cash inflows expected to be derived from the use of intangibles such as a brand or customer relationships. The useful lives of property, plant and equipment and intangible assets are reviewed at least annually taking into consideration the factors mentioned above and all other important relevant factors. A change in estimated useful life is a change in accounting estimate, and depreciation and amortization plans are adjusted prospectively. For additional information on intangible assets as well as property, plant and equipment subject to amortization and depreciation and their carrying values as of the end of the reporting period, see notes 15 and 16 to the Audited consolidated financial statements.

Impairment testing

The Group has made significant investments in goodwill and other intangible assets including IT systems, licenses, acquired brands and customer relationships as well as in property, plant and equipment comprising mainly mobile and fixed broadband network. Goodwill, intangible assets with indefinite useful life and intangible assets not yet in use are tested for impairment annually or more often if indicators of impairment exist, whereas other assets are tested for impairment when circumstances indicate there may be a potential impairment.

The determination of impairments of goodwill and other intangible assets as well as property, plant and equipment involves the use of estimates that include, but are not limited to, the cause, timing, and amount of the impairment. Impairment is based on a large number of factors, such as changes in current competitive conditions, expectations of growth in the telecommunications industry, increased cost of capital, technological obsolescence, discontinuance of services, current replacement costs, prices paid in comparable transactions, and other changes in circumstances that indicate an impairment exists. The identification of impairment indicators, as well as the estimation of future cash flows and the determination of fair values for assets (or groups of assets) require management to make significant judgments concerning the identification and validation of impairment indicators, expected cash flows, applicable discount rates, useful lives, and residual values. When determining the values in use for the cash generating units, additional planning uncertainties are factored in that reflect the risks of macroeconomic development, which could adversely affect future results of operations. The most significant assumptions in goodwill impairment testing comprise of growth in net sales, development of EBITDA, determination of the discount rate (WACC), and long-term growth rate used after the five-year forecast period. The carrying amount of goodwill at 31 December 2015 was EUR 327.2 million (31 December 2014: EUR 327.2 million and 31 December 2013: EUR 232.3 million). Further details on goodwill impairment testing, including a sensitivity analysis, are included in note 16 to the Audited consolidated financial statements.

Provisions

Provisions for asset retirement obligations related to equipment facilities, masts and telephone poles in use and onerous contracts by DNA are determined based on the net present value (NPV) of DNA's total estimated dismantling or demolition costs for asset retirement obligations and unavoidable costs for onerous costs. The estimates are based on future estimated level of expenses taking into account the effect of inflation, cost-base development and discounting. Assumptions are also used in assessing the time periods for which the asset retirement costs are incurred. Because actual outflows can differ from estimates due to changes in laws and regulations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take into account of any such changes. The discount rate applied is reviewed monthly.

Provisions recognized for future costs related to asset retirement obligations amounted to EUR 8.6 million at 31 December 2015 (EUR 9.2 million at 31 December 2014 and EUR 6.8 million at 31 December 2013) and for onerous contracts EUR 4.9 million at 31 December 2015 (EUR 11.8 million at 31 December 2014 and EUR 0.8 million at 31 December 2013). See note 26 to the Audited consolidated financial statements for more information on provisions.

Revenue recognition

Principal or agent—gross versus net presentation

When DNA acts as a principal, income and payments to suppliers are reported on a gross basis in revenue and operating costs. If the DNA sells goods or services as an agent (mainly value added or content services for mobile services) revenue and payments to suppliers are recorded in revenue on a net basis, representing the margin/commission earned. Whether the Group is considered to be principal or agent in a transaction depends on analysis by management of both the legal form and substance of the agreement between the group and its business partners; such judgments impact the amount of reported revenue and operating expenses but do not impact net income or cash flows. Features indicating that the Group is acting as a principal include: responsibility for providing the goods or services and the group has latitude in establishing prices or provides additional goods and services. Features indicating that the Group is acting as an agent include: it does not have exposure to significant risks and rewards associated with the sale of goods or services or the amount it earns is predetermined, being either a fixed fee per transaction or a stated percentage of the amount billed to the customer.

New Standards and Interpretations Not Yet Adopted

DNA has not yet applied the following new and revised standards and interpretations which have been published but other than "*IFRS 15—Revenue from Contracts with Customers*" not yet approved by the EU:

- Amendments to "*IAS 1—Presentation of Financial Statements*" as part of the Disclosure Initiative project of IASB;
- "*IFRS 9—Financial Instruments*";
- "*IFRS 15—Revenue from Contracts with Customers*"; and
- *"IFRS 16—Leases"*

DNA aims to adopt the above-mentioned standards as of the effective date, or as of the beginning of the following financial year, if the effective date differs from the first day of the financial year.

DNA is currently estimating the effects of applying the new and revised standards. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the consolidated financial statements. For additional information on new and revised standards, see note 2 to the Company's Audited Consolidated Financial Statements included in the F-pages to this Offering Circular.

BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

General

DNA Oyj is a public limited liability company incorporated under the laws of Finland and domiciled in Finland. In its corporate governance and management, the Company complies with applicable Finnish legislation, its articles of association and the corporate governance policy approved by the Board of Directors of the Company. The Company follows all regulations and recommendations of the Helsinki Stock Exchange, including the Finnish Corporate Governance Code 2015 issued by the Finnish Securities Market Association and adopted by the Helsinki Stock Exchange, when trading in the Shares possibly commences on the pre-list of the Helsinki Stock Exchange.

The governing bodies of the Company (*i.e.*, the general meeting of shareholders, the Board of Directors of the Company and the CEO) have the ultimate responsibility for DNA's management and DNA's operations. The Executive Team of DNA reports to the CEO and is responsible for the efficient management of DNA's operations.

Shareholders participate in the control and management of the Company through resolutions passed at general meetings of shareholders of the Company. General meetings of shareholders are generally convened upon notice given by the Board of Directors of the Company. In addition, general meetings of shareholders must be convened when requested in writing by an auditor of the Company, or by shareholders representing at least one-tenth of all issued and outstanding Shares.

The business address of the members of the Company's Board of Directors and the Executive Team and the CEO of DNA is Läkkisepäntie 21, FI-00620 Helsinki, Finland.

Board of Directors and Executive Team

Board of Directors

The tasks and responsibilities of the Board of Directors of the Company are determined on the basis of the Finnish Companies Act as well as other applicable legislation. The Board of Directors of the Company has general authority to decide and act in all matters not reserved for other corporate governing bodies by law or under the provisions of the articles of association of the Company. The general task of the Board of Directors of the Company is to duly organize DNA's management and operations. In all situations, the Board of Directors must act in accordance with DNA's best interest.

The main responsibilities of the Board of Directors include:

- arranging to the administration of the Company and the appropriate organization of its operations (general competence);
- arranging the control of the company accounts and asset management in an appropriate manner;
- electing the chairman from among the members for each term of office;
- appointing and dismissing the CEO;
- appointing the deputy CEO and Members of the Executive Team based on the CEO's proposal;
- deciding on the salaries and remunerations of the above-mentioned persons and their incentive scheme;
- deciding on the strategy of DNA and its business units;
- controlling the implementation of the strategic objectives and business plans of DNA and its business units;
- deciding on strategically or financially significant investments as part of the annual budget, business acquisitions and divestments, business transactions and contingent liabilities; any significant investments outside the annual budget are to be confirmed separately;
- confirming DNA's values and other general principles by means of operating instructions;
- confirming DNA's personnel strategy and annual personnel and training plans and deciding on the personnel incentive and reward scheme; and
- arranging to internal control, risk management and internal audit.

The entire Board of Directors of the Company, is elected for a term expiring at the close of the following annual general meeting of shareholders, at the annual general meeting of shareholders of the Company. The Board of Directors elects the Chairman among its members for its term. A member of the Board of Directors of the Company may be removed from office at any time by a resolution passed by a general meeting of shareholders. The proposal of the Nomination Committee for the composition of the Board of Directors will be published in the notice to the general meeting. Proposals to the annual general meeting of shareholders of the Company concerning the election of members of the Board of Directors of the Company, which have been made known to the Board of Directors prior to the annual general meeting of shareholders, will be made public if such a proposal is supported by shareholders holding a minimum of one-tenth of all the Shares and voting rights and the person being proposed has consented to such nomination.

Under the Company's articles of association, the Board of Directors of the Company is composed of at least five and at most nine members. The term of office of a member of the Board of Directors of the Company ends at the end of the first annual general meeting following his/her election. The Board of Directors of the Company is quorate when more than one-half of its members are present. A decision by the Board of Directors of the Company is the opinion supported by more than one-half of the members present at a meeting. In the event of a tie, the Chairman has the casting vote. The Board of Directors of the Company convenes approximately once per month. In 2015, the Board of Directors of the Company convened ten times.

On March 31, 2016, the annual general meeting of shareholders of the Company decided that the number of members of the Board of Directors of the Company was to be six. The annual general meeting of shareholders of the Company decided to elect re-elect Jarmo Leino, Kirsi Sormunen, Anu Nissinen, Jukka Ottela, Tero Ojanperä and Margus Schults as members of the Board of Directors of the Company. The Board of Directors re-elected from among its members Jarmo Leino as the Chairman of the Board. On October 25, 2016, the extraordinary general meeting of the Company decided that the number of members of the Board of Directors was to be seven and decided to elect Pertti Korhonen as a new member of the Board of Directors. The Board of Directors of the Company decided on October 25, 2016, to elect Pertti Korhonen as the chairman of the Board of Directors, such election being conditional upon the consummation of the Offering and the Listing of the Company. Mr. Korhonen's term as the chairman will take effect on the day following the Listing. All current members of the Board of Directors are independent of the Company and all current members of the Board of Directors, except for Jarmo Leino and Jukka Ottela, are independent of its significant shareholders as at the date of this Offering Circular. Jarmo Leino is the CEO of Finda Oy and Jukka Ottela is a member of the Board of Directors of Finda Oy and the Chairman of the Board of Directors of PHP Holding Oy, both of which are significant shareholders of the Company.

The following table sets forth the members of the Board of Directors of the Company as at the date of this Offering Circular:

Name	Position	Citizenship	Year of Birth
Jarmo Leino	Chairman	Finland	1951
Anu Nissinen	Member	Finland	1963
Tero Ojanperä	Member	Finland	1966
Jukka Ottela	Member	Finland	1953
Margus Schults	Member	Estonia	1966
Kirsi Sormunen	Member	Finland	1957
Pertti Korhonen	Member	Finland	1961

Jarmo Leino has been a member of the Board of Directors of the Company since 2006, the Chairman of the Board of Directors of the Company since 2010 and the Chairman of the Compensation Committee since 2011. He has been the CEO of Finda Oy since 2010, the Chairman of the Board of Directors of Omnitele Ltd since 2011 and the Chairman of the Board of Directors of Lohjan Puhelin Oy since 2010. Previously, Mr. Leino was an attorney at Asianajotoimisto Jarmo Leino Oy between 1980 and 2010. Mr. Leino holds a Master of Laws degree with court training.

Anu Nissinen has been a member of the Board of Directors of the Company between 2010 and 2011 and again since 2014. She has been the CEO and Chairman of the Board of Digma Design Oy since 2016, a Partner and the Chairman of the Board of Directors of Era Content Oy between 2014 and 2016, a member of the Board of Directors of F-Secure Oyj since 2010, Siili Solutions Oyj since 2014, Kesko Oyj since 2015 and Viestilehdet Oy since 2015. Previously, Ms. Nissinen was the CEO of Sanoma Media Finland between 2011 and 2013, the President of Sanoma Entertainment Finland between 2008 and 2011 and the Managing Director of Helsinki Television/Welho between 2004 and 2008. Ms. Nissinen holds a Master of Science degree in Economics.

Tero Ojanperä has been a member of the Board of Directors of the Company since 2014. Mr. Ojanperä is the Managing Partner and Co-Founder of Visionplus Oyj. He has been the Chairman of the Board of Tampere University of Technology since 2012, a member of the Board of Directors of Veikkaus Oy since 2013, the Chairman of the Board of Kiosked Oy since 2014 and Smilestream Oy since 2015. Previously, Mr. Ojanperä was Nokia Oyj's Chief Strategy Officer, Head of Nokia Research Centre, CTO and held other management positions at Nokia Oyj. In addition, Mr. Ojanperä was a member of Nokia Oyj's Group Executive Board from 1990 to 2011. Mr. Ojanperä holds a PhD degree in Electrical Engineering.

Jukka Ottela has been a member of the Board of Directors of the Company since 2010, a member of the Company's Audit Committee since 2011 and a member of the Company's Compensation Committee since 2014. He has been the CEO of Esan Kirjapaino Oy between 1994 and 2016, the Chairman of the Board of PHP Holding Oy and PHP Liiketoiminta Oyj since 2009, a member of the Board of Finda Oy since 2016, a member of the Supervisory Board of Mutual Pension Insurance Company Ilmarinen since 2013, a member of the Board of Directors of Sanomalehtien liitto since 2010. Previously, Mr. Ottela was a Director of Wholesale Division in Onninen Oy from 1990 to 1994. Mr. Ottela holds a Master of Science degree in Economics and a Master of Laws degree.

Margus Schults has been a member of the Board of Directors of the Company since 2015 and a member of the Company's Compensation Committee since 2016. He has been the CEO of Tallink Silja Oy since 2009, a member of Directors' Institute of Finland since 2013, a member of the Board of Directors of Finnish Shipowners' Association since 2012, a member of the Main Council of the Helsinki region Chamber of Commerce since 2012, the Deputy Chairman of the Finnish Estonian Trade Association since 2012, a member of Service Sector Employers PALTA ry since 2014, a member of the Board of Directors of Ovenia Group Oy since 2016 and a member of the Supervisory Board of WWF Suomi since 2016. Previously, he was the Head of Organizational Development and Investor Relations in Tallink Group AS between 2008-2009 and in business development, strategy and human resource management positions in SEB in Tallinn, Riga and Stockholm between 1994 and 2008. Mr. Schults holds a PhD in Electrical Engineering.

Kirsi Sormunen has been a member of the Board of Directors of the Company since 2014. She has been a member of the Board of Directors and the Audit Committee of Neste Oil Oyj since 2013, a member of the Board of Directors of Sitra since 2013 a member of the Board of Directors of the Finnish National Committee for UNICEF. Previously, Ms. Sormunen was a member of the Board of Directors, a member of the Audit Committee and the Chairman of the Sustainability Committee of Talvivaara Oyj between 2012–2014, held various management positions related to financial administration and corporate responsibility at Nokia Oyj in Finland and abroad between 1993 and 2013, as well as various specialist and managerial roles in Nokia Oyj's corporate treasury between 1982 and 1993. Ms. Sormunen holds a Master of Science degree in Economics.

Pertti Korhonen has been a member of the Board of Directors since October 25, 2016. Mr. Korhonen has been the President and CEO of Outotec Oyj between 2010 and 2016, the Chief Operating Officer of Outotec Oyj in 2009, the CEO of Elektrobit Corporation Oyj between 2006 and 2009, member of the Group Executive Board of Nokia Corporation between 2002 and 2006, the Chief Technology Officer of Nokia and the Executive Vice President, Nokia Technology Platforms, between 2004 and 2006 as well as the Executive Vice President of Nokia Mobile Software between 2001 and 2003. He has been a member of the Board of Confederation of Finnish Industries since 2016, the Chairman of the Board of Climate Leadership Council since 2014, a member and the Vice Chairman of the Board of International Chamber of Commerce since 2012 and 2013, respectively, a member of the Board of Finland Central Chamber of Commerce since 2012, a member of the Supervisory Board of WWF Finland since 2015 and a member of the Supervisory Board of the Foundation for pediatric research since 2012. Previously, Mr. Korhonen was the Chairman of the Board of Directors of Ahlström Oyj between 2013 and 2014 and the Vice Chairman of the Board of Directors of Ahlström Oyj between 2001 and 2013, a member of the Board of Directors of Rautaruukki Oyj between 2010 and 2013, a member of the Board of Directors of Elisa Oyj between 2008 and 2011, a member of the Board of Directors of Veho Group Oy between 2007 and 2011, the Vice Chairman of the Board and a member of the Board of the Federation of Finnish Technology Industry since 2014 and between 2012 and 2016, respectively, a member of the Board of the Finnish Government's Research and Innovation Council between 2011 and 2015, a steering group member of Finland's External

Economics Relations between 2012 and 2015 and a member of the Advisory Board of the Finnish Defence Forces between 2007 and 2012.

CEO and Deputy to the CEO

The CEO is responsible for DNA's operational management. The CEO prepares matters on which decisions are to be made by the Board of Directors of the Company, ensures that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner and manages the daily operations of the company according to strategic principles and objectives confirmed by the Board of Directors. The CEO also uses the owner's right to speak and vote in subsidiaries, including the election of subsidiary Board members and managing directors, or nominates a person authorized to do so. The CEO chairs meetings of the Executive Team and the extended Executive Team of DNA. The deputy to the CEO is responsible for attending to the CEO's duties in the event that the CEO is prevented from doing so.

Executive Team

The Executive Team of DNA is tasked with the overall management of DNA's business. Members of the Executive Team of DNA have extensive authority in their individual areas of responsibility and their duty is to develop DNA's operations in line with the targets set by the Board of Directors and the CEO of the Company. DNA's Executive Team does not have authority based on law or the articles of association. The current Executive Team of DNA consists of nine members appointed by the Board of Directors of the Company and meets regularly at least twice a month.

The following table sets forth the members of the Executive Team of DNA as at the date of this Offering Circular:

Name	Position	Citizenship	Year of Birth
Jukka Leinonen	CEO	Finland	1962
Timo Karppinen	Chief Financial Officer	Finland	1964
Pekka Väisänen	Senior Vice President, Consumer Business	Finland	1966
Hannu Rokka	Senior Vice President, Corporate Business	Finland	1965
Tommy Olenius	Senior Vice President, Technology	Finland	1962
Asta Rantanen	Senior Vice President, Legal Affairs	Finland	1962
Marko Rissanen	Senior Vice President, Human Resources	Finland	1974
Christoffer von Schantz	Senior Vice President, Strategy	Finland	1973
Janne Aalto	Chief Information Officer	Finland	1965

Jukka Leinonen has been the CEO of DNA since 2013 and a member of the Executive Team of DNA since 2010. Mr. Leinonen has been a member of the Board of Directors of Finnish Federation for Communications and Teleinformatics (FiCom ry) since 2013 and Service Sector Employers PALTA ry since 2014. Previously, Mr. Leinonen was the Senior Vice President, Corporate Business of DNA between 2010 and 2013, held various management positions in corporate business marketing and product management between 2002 and 2009 at TeliaSonera Ltd, and was the President and CEO of Sonera Solutions Oy (Yritysverkot Oy) between 1996 and 1999. Mr. Leinonen holds a Master of Science degree in Technology.

Timo Karppinen has been the Chief Financial Officer of DNA since 2012. He has been a member of the Board of Directors of Gummerus Oy and its subsidiaries Gummerus Kustannus Oy and Kielikone Oy since 2014. Previously, Mr. Karppinen was a Director, Corporate Development and Strategy of Ponsse Plc between 2010 and 2012, the CFO of Nokia North America between 2008 and 2010, the CFO of Nokia Asia-Pacific between 2006–2008 and the CFO of Nokia China between 2000 and 2006. Mr. Karppinen holds a Master of Social Science degree.

Pekka Väisänen has been the Senior Vice President, Consumer Business of DNA since 2009 and has worked for the Company since 2003. Previously, Mr. Väisänen was the Sales and Marketing Director of DNA Services Ltd between 2007 and 2009, the Business Development Director of Oulun Puhelin Oyj between 2006 and 2007, the Sales and Marketing Director of Finnet Oy and DNA Finland Ltd between 2003 and 2006 and held various roles at Oulun Puhelin between 1996 and 2003. Mr. Väisänen holds a Master of Science degree in Economics.

Hannu Rokka has been the Senior Vice President, Corporate Business of DNA since 2014. Previously, Mr. Rokka was the CEO of Forte Netservices Oy between 2012 and 2014, the Director of corporate business Product Management of DNA between 2013 and 2014, Co-founder and CTO of Forte Netservices Oy between 2000 and 2012, Senior Consultant of WM-data Faci Oy between 1995 and 2000 and Customer Service Engineer of Digital Equipment Corporation between 1990 and 1995. Mr. Rokka has completed vocational upper secondary education supplemented by technology providers' trainings and certifications as well as by management courses provided by the Aalto University and product management courses provided by the Helsinki University of Technology.

Tommy Olenius has been the Senior Vice President, Technology of DNA since 2009 and has worked for the Company since 2003. Previously, Mr. Olenius was the Senior Vice President, Technology of DNA Finland Ltd between 2005 and 2009, the CTO of Suomen 2G Oy/Finnet Verkot Oy (DNA Networks) between 2003 and 2005 as well as the Deputy Director and CTO of Telia Mobile Finland Oy between 2001 and 2003. Mr. Olenius holds a degree in Engineering.

Asta Rantanen has been the Senior Vice President, Legal Affairs of DNA since 2007 and has worked for the Company since 2003. Previously, Ms. Rantanen was the Head of Legal Department and Vice President of Legal Affairs of Finnet Ltd and DNA Finland Ltd between 2003 and 2007, Legal Counsel of Telia Finland Oy between 1999 and 2003, Claims Manager and Product Development Manager of insurance company Sampo between 1994 and 1999 and Legal Counsel of insurance company Kansa between 1985 and 1994. Ms. Rantanen holds a Master of Laws degree.

Marko Rissanen has been the Senior Vice President, Human Resources of DNA since 2007 and has worked for the Company since 2003. He has been a member of the Labour Market committee of Service Sector Employees PALTA ry since 2016 and between 2011 and 2014. Previously, Mr. Rissanen was the HR Manager of DNA Finland Ltd between 2005 and 2006, the HR Manager of Finnet Networks Ltd between 2004 and 2005, and the HR Manager of Telia Product Oy between 2001 and 2003. Mr. Rissanen holds a Vocational Qualification in Business and Administration and upper secondary school matriculation examination. He is currently studying for an EMBA degree and will complete his studies in 2016–2017.

Christoffer von Schantz has been the Senior Vice President, Strategy of DNA since 2013. Previously, Mr. von Schantz was the Director, Strategy and Business Development of Nokia Oyj between 2006 and 2012 as well as the Vice President, Consulting and a member of the Executive Team of Omnitele Ltd between 2000 and 2006. Mr. von Schantz holds a Master of Science degree in Technology.

Janne Aalto has been the CIO of DNA since 2014. Previously, Mr. Aalto was the Head of Demand Side Platform of Kiosked Oy Ab in 2014, the CEO and Co-Founder of CEM4Mobile Solutions Oy between 2004 and 2013, the Vice President, Development, of Sonera Zed Oy between 2000 and 2004, a Director, Head of Professional Services, of Fujitsu Finland between 1997 and 2000 and Senior Project Manager of Fujitsu UK and Ireland between 1994 and 1997. Mr. Aalto holds a MBA degree in International Business and a Vocational Qualification in Business Information and Communication Technology.

Board Committees

Overview

The Board of Directors of the Company has established two permanent committees: the Audit Committee and the Compensation Committee. In addition, the annual general meeting on March 26, 2015 decided to establish a permanent Shareholders' Nomination Committee. The Board of Directors appoints the members and Chairmen of the committees and has the power to discharge them. The committees prepare suggestions for items that will be decided in the Board of Directors' meetings. The committees have no independent power of decision.

Audit Committee

The Audit Committee comprises a Chairman and at least two members elected annually by the Board of Directors from among Board members. The majority of the members of the Audit Committee must be independent of the Company and at least one of them has to be independent of significant shareholders. The Board of Directors specifies the duties of the Audit Committee in the Audit Committee Charter. The duties of the Audit Committee include, among others, monitoring the reporting process of financial statements; supervising the financial reporting process; monitoring the efficiency of the Company's internal control and risk management systems; performing a quarterly review to confirm the accuracy of the Company's financial result with financial managers and auditors; as well as monitoring significant financial risks and risks relating to financing and taxation as well as actions to control said risks and discussing significant financial risks and managerial actions to monitor, control and report on said risks. At the date of this Offering Circular, the Audit Committee members include Kirsi Sormunen (Chairman), Anu Nissinen and Jukka Ottela. All members of the Audit Committee are independent of the Company, but Jukka Ottela is not independent of the Company's significant shareholders. The Audit Committee convenes at least four times a year.

Compensation Committee

The Compensation Committee comprises a Chairman and at least two members elected annually by the Board of Directors from among Board members. The majority of the members of the Compensation Committee must be independent of the Company. The CEO or the other executives of the company shall not be appointed to the Compensation committee. The Board of Directors specifies the duties of the Compensation Committee in the Compensation Committee Charter. The Compensation Committee assists the Board of Directors in the preparation of issues related to the remuneration of DNA's management, key employees and personnel. The main duties of the Compensation Committee include the preparation of deciding on salaries, pensions terms and other benefits, other key terms of agreement and any exceptional agreement terms of the CEO and Executive Team, establishing short- and long-term incentive schemes for DNA's management and personnel and planning possible successors to the CEO and Executive Team members. At the date of this Offering Circular, the Compensation Committee members include Jarmo Leino (Chairman), Margus Schults and Jukka Ottela. All members of the Compensation Committee are independent of the Company, but Jukka Ottela and Jarmo Leino are not independent of the Company's significant shareholders. The Compensation Committee convenes at least twice a year.

Shareholders' Nomination Committee

The annual general meeting of shareholders held on March 26, 2015, decided to establish a permanent Nomination Committee comprising shareholders, or their representatives, for the preparation of matters pertaining to the election and remuneration of the members of the Board of Directors. The Nomination Committee was established by the annual general meeting, and will stay in place until further notice.

The committee consists of three members appointed by the shareholders annually. In addition, the Chairman of the Board of Directors of the Company attends the meetings of the Nomination Committee as an expert. The three shareholders entered in the Company's shareholders' register maintained by Euroclear Finland whose portion of the votes produced by all the shares in the Company according to the shareholders' register are the largest on September 1 prior to the annual general meeting of the Company for each year in question shall have the right to appoint members representing the shareholders as defined in detail in the Shareholders' Nomination Committee Charter.

At the date of this Offering Circular, the members of the committee are Esa Haavisto (appointed by Finda Oy), Seppo Vikström (appointed by PHP Holding Oy) and Esko Torstila (appointed by Mutual Pension Insurance Company Ilmarinen).

Information on the Members of the Board of Directors and the Executive Team

Kirsi Sormunen, a member of the Board of Directors of the Company, was a member of the Board of Directors of Talvivaara Kaivososakeyhtiö Oyj between 2012 and 2014. Talvivaara Kaivososakeyhtiö Oyj submitted an application for reorganization proceedings on November 15, 2013.

Janne Aalto, the CIO of DNA, has been the CEO of CEM4Mobile Solutions Oy between 2004 and 2013. CEM4Mobile Solutions Oy was adjudicated in bankruptcy on November 8, 2013.

Apart from the above-mentioned, as at the date of this Offering Circular, none of the members of the Company's Board of Directors or the Executive Team of DNA have, during the previous five years:

- had any convictions in relation to fraudulent offences;
- been in a managerial position, such as a member of the administrative or management or a supervisory body or belonged to the senior management, of any company at the time of its bankruptcy, receivership or liquidation (excluding liquidation which has been carried out in order to dissolve the company due to tax reasons or reasons related to the simplification of group structure); or
- been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or been disqualified by a court from acting as a

member of the administrative, management or supervisory bodies of any company or from managing the affairs of any company.

Conflicts of Interest

The Finnish Companies Act sets forth provisions regarding the conflicts of interest of the management of a Finnish company. Pursuant to Chapter 6, Section 4 of the Finnish Companies Act, a member of the Board of Directors may not participate in the handling of a contract between himself or herself and the company, nor may he or she participate in the handling of a contract between the company and a third party if he or she may thereby receive a material benefit, which may be in contradiction with the interests of the company. This provision also applies to any other legal act, legal proceeding or similar matter. This provision also applies to the CEO.

Unless otherwise indicated below, there are no (i) potential conflicts of interest between any duties to the Company of any member of the Board of Directors of the Company or the Executive Team of DNA and their private interests and/or other duties; (ii) arrangements or understandings with major shareholders, members, suppliers or others pursuant to which any member of the Board of Directors of the Company or the Executive Team of DNA was elected; or (iii) restrictions agreed by any member of the Board of Directors of the Company or the Executive Team of DNA on the disposal of their holdings in the Company's securities within a certain time:

- legal and/or beneficial interest in the Shares;
- the lock-up agreement regarding the Shares described in "*Terms and Conditions of the Offering—Lock-up*";
- the related party transactions described in "*Major Shareholders and Related Party Transactions—Related Party Transactions*"; and
- Mr. Jarmo Leino, Chairman of the Board of Directors of the Company, is the CEO of Finda Oy which is the largest shareholder of the Company (see "*Major Shareholders and Related Party Transactions*"). Mr. Jarmo Leino has been appointed to the Company's Board of Directors by Finda Oy.
- Mr. Jukka Ottela, member of the Board of Directors of the Company, is the Chairman of the Board of Directors of PHP Holding Oy which is the second largest shareholder of the Company and a member of the Board of Directors of Finda Oy which is the largest shareholder of the Company (see "*Major Shareholders and Related Party Transactions*"). Mr. Jukka Ottela has been appointed to the Company's Board of Directors by PHP Holding Oy.

Compensation of the Board of Directors and the Executive Team

Board of Directors

The annual general meeting of shareholders of the Company decides annually on the remuneration paid to members of the Board of Directors. On an annual basis, the Nomination Committee reviews the Board members' remuneration and remuneration methods and submits proposals to the annual general meeting.

The Company's annual general meeting on March 31, 2016, decided that the Chairman of the Board of Directors will receive an annual remuneration of EUR 144,000 and each other member of the Board of Directors will receive an annual remuneration of EUR 48,000. In addition, the Chairman and other members of the Board of Directors will receive a fee of EUR 1,050 for each attendance at a meeting of the Board of Directors. Each member of the Board of Directors can choose to receive 40 percent of their annual remuneration in the Company's Shares. The received Shares will be valued at their current value at the time of the acquisition. There are conditions concerning the negotiability of the Shares. The Company's annual general meeting also decided on the following payments per meeting: for each member of the Board and Committee Chairmen, EUR 1,050 per person and for each committee member, EUR 525 per person.

The following table sets forth the total annual remuneration and meeting fees paid to the members of the Board of Directors of the Company for the periods indicated:

	For the nine months ended September 30 2016	For the year ended December 31,		
		2015	2014	2013
	(unaudited) (EUR in thousands)	(unaudited) (EUR in thousands)		
Jarmo Leino	80	159	199	163
Anu Nissinen (member since March 20, 2014)	32	63	63	—
Tero Ojanperä (member since March 20, 2014)	30	57	59	—
Jukka Ottela	32	63	79	66
Margus Schults (member since March 26, 2015)	30	57	—	—
Kirsi Sormunen (member since March 20, 2014)	46	67	53	—
Anssi Soila (member until March 26, 2015)	—	14	63	64
Juha Ala-Mursula (member until March 20, 2014)	—	—	16	66
Hannu Isotalo (member until March 20, 2014)	—	—	16	66
Tuija Soanjärvi (member until March 20, 2014)	—	—	17	69
Pertti Korhonen (member since October 25, 2016)	—	—	—	—

Remuneration of the Board of Directors of the Company is paid once a year. No pension payments relate to the remuneration paid to the Board of Directors of the Company.

Executive Team

The Board of Directors of the Company determines the remuneration of the CEO and the Executive Team of DNA. The remuneration of the CEO and the Executive Team of DNA is based on a fixed month salary, performance-based payment according to DNA's incentive and performance-based payment scheme and a share-based compensation plan. The management's performance-based payments are based on company-level targets related to development of cash flow and service net sales as well as customer satisfaction. The maximum annual performance-related payment can amount to nine months' salaryfor the CEO of DNA and seven months' salary for members of the Executive Team of DNA. Furthermore, the Board of Directors of the Company has resolved upon an option program for the Board of Directors of the Company and the Executive Team of DNA. See also "—*Share-Based Compensation Plan*" below.

Key Management Compensation

The following table sets forth the salaries, fees and fringe benefits paid to the CEO of DNA and other members of the Executive Team and the members of the Board of Directors for the periods indicated:

	For the nine months ended September 30,		For the year ended December 31,		
	Unaudited		Audited		
(EUR in thousands, unless otherwise indicated)	**2016**	**2015**	**2015**	**2014**	**2013**
Salaries and other short-term employee benefits	2,260	2,380	2,879	2,815	2,852
Termination benefits	0	76	76	293	0
Pension expenses—defined contribution plan and defined benefit plan	604	322	322	229	602
Share-based payments	2,973	262	756	286	(141)
Total(1)	**5,837**	**3,040**	**4,033**	**3,623**	**3,313**
Options granted to management					
Granted options 1 January	0	0	0	32	58
Forfeited options	0	0	0	0	26
Reclassified as cash	0	0	0	32	0
Total number of shares management options entitle	0	0	0	0	32
CEO's salaries and commissions					
Jukka Leinonen	450	449	543	559	106
Riitta Tiuraniemi	0	0	0	293	702
Members and deputy members of the Board of Directors	**252**	**424**	**479**	**564**	**494**

(1) Including the salaries, fees and fringe benefits paid to the CEO, other members of the Executive Team and the members of the Board of Directors.

Termination Benefits and Pension Commitments

The CEO's notice period is six (6) months, applicable to both DNA's and the CEO's termination actions. If the CEO's contract is terminated by DNA, the CEO is entitled to severance pay that equals the CEO's total remuneration for eight (8) months in addition to the salary paid during the notice period.

The notice period for other members of the Executive Team is six (6) months or three (3) months applicable to both DNA's and the Executive Team member's termination actions. If the contract is terminated by DNA, the member of the Executive Team is entitled to severance pay that equals the Executive Team member's salary for six (6) months in addition to the salary paid during the notice period.

The CEO is entitled to retire at the age of 60 and the other members of the Executive Team at the age of 62. They have supplementary defined contribution plans.

Share-Based Compensation Plan

On November 20, 2014, the Board of Directors resolved to implement a long-term share-based compensation plan for the top management and other selected key employees of DNA, based on the development of company share value. In total, 35 people are participants in the system. Participants have the opportunity to receive a reward in the form of the Company's Shares or as cash in connection with a stock exchange listing or an exit by the largest shareholders. A precondition for the individual employee's participation in the plan was an investment in a specific number of DNA shares by way of subscribing shares for the then current value. The reward will consist of two Shares per each subscribed Share (base component). Additionally, it is possible for participants in the share-based compensation plan to obtain a reward based on market capitalization of DNA in connection with a stock exchange listing of the Shares or a sale of the Shares in an exit by the largest shareholders (performance based component). In a stock exchange listing, the value of the reward is based on the market capitalization of DNA in connection with such listing and in an exit on the sale price, and will entitle each participant to up to 14 Shares per each Share already held. A maximum total of 1,920,000 new Shares can be issued under the plan. The maximum total, which was previously 128,000 new Shares, has been adjusted pursuant to the terms and conditions of the plan following the resolution of the Company's general meeting on October 25, 2016 regarding share split. If the Final Offer Price in the Offering is the maximum of the Preliminary Price Range, the performance based component is expected to be awarded in full. Should the performance based component of the share based compensation plan be awarded in full, the participants will be entitled to a total of 1,614,000 Shares in the Company, of which approximately 807,000 Shares are expected to be given after deduction of taxes. Any Shares that participants may be entitled to pursuant to the share based compensation plan will be awarded approximately a year following the Listing.

Receiving of Shares under the share-based compensation plan is tied to, among other things, the continuance of the participant's employment or service in DNA upon the Listing. If a participant's employment or service ends before the payment of the reward, his/her right to the reward is cancelled.

New Share Based Incentive Schemes

On October 20, 2016, the Board of Directors of the Company resolved to implement a new long-term share based incentive scheme for the top management and other selected key employees of DNA, effective from January 1, 2017. The new share based incentive scheme is performance based and conditional upon consummation of the Listing. The new share based incentive scheme comprises a rolling plan structure within which new individual three-year performance share plans commence annually, always subject to a separate approval of the Board of Directors. The participants of the new share based incentive scheme have the right to receive Shares based on the achievement of pre-set performance criteria, which will be determined separately for each individual plan and primarily measured over a three-year period. The decision on the target levels of the performance criteria, the eligible participants and the maximum value of rewards of the first three-year plan are estimated to be passed by the Board of Directors in December 2016 or February 2017. In total, approximately 50 people are expected to become participants of the performance based incentive scheme covering the years 2017 to 2019. The maximum reward per individual under the three-year plan from 2017 to 2019 is estimated to be approximately EUR 5 million and the reward may be paid in Shares or in cash in the Company's discretion. Any reward that the participants may be entitled to pursuant to the new share based incentive scheme will be awarded after the third calendar year of the plan. Receiving any reward is conditional upon the continuance of the participant's employment in DNA at the payment date of the reward.

In addition, the Board of Directors resolved to implement a restricted share pool as a complementary retention tool for specific situations, such as acquisitions and key recruitments. The restricted share pool comprises a rolling plan structure within which new individual three-year restricted share pools commence annually, always subject to a separate approval of the Board of Directors. An individual restricted share pool consists of a three-year vesting period and may in the discretion of the Board of Directors in each case either include participant specific or specific, company level minimum threshold performance criteria. Receiving of the reward is conditional upon the continuance of the participant's employment in DNA over the entire plan period. The restricted share pool will typically comprise of only a few participants per year.

Further, the Board of Directors of the Company resolved on October 20, 2016 that a bridge element between DNA's long-term share based compensation plan launched in 2014 and the new long-term share based incentive scheme will be covered with an adjusted short-term incentive earning opportunity for the years 2017 and 2018. Decisions regarding the 2017 short-term incentive scheme will be made by the Board of Directors of the Company by the beginning of 2017.

Management Ownership

The following table sets forth the number of Shares owned by the members of the Board of Directors of the Company and the Executive Team of DNA as at the date of this Offering Circular:

Members of the Board of Directors	Shares
Jarmo Leino	21,450
Anu Nissinen	7,140
Tero Ojaperä	7,140
Jukka Ottela	7,140
Margus Schults	4,125
Kirsi Sormunen	—
Pertti Korhonen	—

Members of the Executive Team	Shares
Jukka Leinonen	13,500
Timo Karppinen	4,500
Pekka Väisänen	4,500
Hannu Rokka	4,500
Tommy Olenius	4,500
Janne Aalto	4,500
Asta Rantanen	3,375
Marko Rissanen	3,375
Christoffer von Schantz	3,375

Directorships/Partnerships

The members of the Board of Directors of the Company and the Executive Team of DNA currently hold or have held the following directorships and/or have been a partner in the following companies or partnerships in the five years prior to the date of this Offering Circular:

	Current Directorships/Partnerships	Former Directorships/Partnerships
Members of the Board of Directors		
Jarmo Leino	Finda Oy Leinolaw Oy Omnitele Ltd Lahjan Puhelin Oy	—
Jukka Ottela	PHP Holding Oy PHP Liiketoiminta Oyj Finda Oy Keskinäinen Eläkevakuutusyhtiö Ilmarinen	Mediatalo ESA Oy
Kirsi Sormunen	Neste Oil Oyj	Nokia Oyj Talvivaara Kaivososakeyhtiö Oyj
Anu Nissinen	F-Secure Oyj Siili Solutions Oyj Kesko Oyj Viestilehdet Oy Digma Design Oy	Era Content Oy Sanoma Media Finland De Vijver SBS Broadcasting B.V.
Tero Ojanperä	Visionplus Oyj Veikkaus Oy Kiosked Oy Tailorframe Oy Smilestream Oy	—
Margus Schults	Tallink Silja Oy Ovenia Group Oy	—
Pertti Korhonen	Solution Factory Oy	Outotec Oyj Elektrobit Oyj Ahlström Oyj Rautaruukki Oyj Elisa Oyj Veho Group Oyj
Members of the Executive Team		
Jukka Leinonen	—	—
Timo Karppinen	Gummerus Oy Gummerus Kustannus Oy Kielikone Oy Tofika Oy	Ponsse Oyj
Pekka Väisänen	—	—

	Current Directorships/Partnerships	Former Directorships/Partnerships
Hannu Rokka	—	TDC Finland Oy TDC Hosting Oy Forte Netservices Oy Forte Netservices OOO
Tommy Olenius	—	Suomen Yhteisverkko Oy
Asta Rantanen	—	—
Marko Rissanen	—	—
Christoffer von Schantz	—	Nokia Oyj nZyme Oy
Janne Aalto	—	Kiosked Oy Ab CEM4Mobile Oy

Auditors

Pursuant to Article 8 of the Company's articles of association, the Company must have one auditor. On March 31, 2016, the annual general meeting of shareholders of the Company re-elected PricewaterhouseCoopers Oy, Authorised Public Accountants, with Authorised Public Accountant Mika Kaarisalo as the auditor with principal responsibility, to be the auditor of the Company.

The Audited Consolidated Financial Statements included in this Offering Circular consolidated financial statements as at and for the years ended December 31, 2015, 2014 and 2013 have been audited by PricewaterhouseCoopers Oy, Authorised Public Accountants, with Authorised Public Accountant Mika Kaarisalo as the auditor with principal responsibility.

MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

General

As at the date of this Offering Circular, the Company's share capital amounts to EUR 72,702,225.65 and the total number of Shares is 127,325,850. As at the date of this Offering Circular, the Company does not hold any Shares.

As a result of the issuance of New Shares in the Offering, the number of Shares could increase to 132,092,755 Shares assuming that the Company will issue 4,766,905 New Shares (the number of New Shares calculated assuming that the Final Offer Price would be at the mid-point of the Preliminary Price Range and that DNA's Personnel would subscribe for a total of 50,000 New Shares at the discount applicable to such New Shares in accordance with their allocation preference in the Personnel Offering).

The following table sets forth the ten largest shareholders of the Company and their respective holdings of the Company's outstanding Shares immediately prior to the Offering and immediately after the Offering assuming that all of the Offer Shares are subscribed for in the Offering by investors other than the shareholders presented below, the Sellers sell the maximum amount of Sale Shares and the Over-Allotment Option is not used:

	Before the Offering		After the completion of the Offering	
	Number of Shares	Percent of Shares and votes	Number of Shares	Percent of Shares and votes
Finda Oy	63,461,805	49.84	44,351,150	33.58
PHP Holding Oy	47,766,375	37.52	34,188,030	25.88
Mutual Pension Insurance Company Ilmarinen	6,370,335	5.00	6,370,335	4.82
Anvia Oy	4,414,680	3.47	2,926,980	2.22
Lohjan Puhelin Oy	3,313,155	2.60	2,196,705	1.66
Jakobstadsnejdens Telefon Ab	1,056,900	0.83	700,800	0.53
Karis Telefon Ab	254,565	0.20	168,915	0.13
Vakka-Suomen Puhelin Oy	185,070	0.15	122,820	0.09
Puhelinosuuskunta IPY	159,540	0.13	53,040	0.04
Orox Oy	57,195	0.04	57,195	0.04
Other shareholders	286,230	0.22	40,956,785	31.01
Total	**127,325,850**	**100**	**132,092,755**	**100**

Finda Group specializes in development, ownership and related investment activity in the ICT sector and other high-technology growth companies. Finda Group's parent company is Finda Oy, and the group's business operations are carried out through subsidiaries and associated companies. DNA is Finda Group's most significant associated company. Finda has informed DNA that its shareholding in DNA is a long-term investment for Finda.

PHP Holding Oy is an investment company with a main focus in data communication, information technology and the communications sector. PHP Holding Oy also invests in real estates and securities. PHP Holding Oy's shareholding in DNA is its largest individual investment and it has informed DNA that its shareholding in DNA is a long-term investment for PHP Holding Oy. PHP Holding Oy owns all shares in PHP Liiketoiminta Oyj.

Finda Oy and PHP Holding Oy have entered into a shareholders' agreement concerning the Company, a minority shareholders' agreement and a process agreement regarding listing of the company. The shareholders' agreements contain customary provisions concerning the governance and transferring of shares of the Company as well as other provisions regarding the rights and obligations of the parties. The shareholders' agreements and the process agreement will terminate in case the Listing is completed.

PHP Liiketoiminta Oyj is the largest shareholder in Finda Oy with ownership of 24.5 percent of Finda Oy's shares and 21.1 percent of votes as at the date of this Offering Circular. Finda Oy's associated company Rival XV Invest Oy is PHP Holding Oy's largest shareholder with ownership of 16.5 percent of PHP Holding Oy's shares and 2.3 percent of votes as at the date of this Offering Circular. Finda Oy, PHP Holding Oy and PHP Liiketoiminta Oyj have entered into an agreement concerning their mutual cross-ownership and its arranging. The cross-ownership agreement prevents the parties from increasing their direct or indirect ownership in one another without prior consent from another party. The cross-ownership agreement will remain in force following completion of the Listing. In addition, PHP Liiketoiminta Oyj is a party in a shareholders' agreement concerning Finda Oy together with Holding Oy Luuri, which owned 1.9 percent of Finda Oy's shares and 15.6 percent of votes as at the date of this Offering Circular. The shareholders' agreement will also remain in force following completion of the Listing.

All Shares carry equal voting rights and none of the Company's shareholders have any voting rights that differ from those of the other shareholders in the Company.

Related Party Transactions

Parties are considered to be related parties if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operational decisions. DNA's related parties include the Company's subsidiaries, associated companies and joint arrangements (see "*Business—Group Legal and Organizational Structure*") as well as the Company's largest shareholders Finda Oy and PHP Holding Oy. Related parties also include the members of the Board of Directors of the Company, the CEO and the Executive Team of DNA, the close family members of these individuals and entities that are controlled or jointly controlled by a person identified as a related party. See "*Board of Directors, Management and Auditors*" for further information on the Board of Directors of the Company, the CEO and the Executive Team of DNA and the remuneration of these individuals. The following tables set forth DNA's transactions with related parties as at the dates and for the periods indicated:

	For the nine months ended September 30,		For the year ended December 31,		
	2016	2015	2015	2014	2013
	(unaudited)		(audited)		
	(EUR in thousands, unless otherwise indicated)				
Organizations exercising significant influence					
Sales	22	18	24	27	50
Purchases	2,042	2,713	3,527	3,859	4,338
Receivables	2	2	2	2	3
Liabilities	193	6	2	2	34
Associated companies					
Sales	0	0	0	0	0
Purchases	344	510	624	617	518
Receivables	0	0	0	0	0
Liabilities	2	2	2	2	80

DESCRIPTION OF THE SHARES AND SHARE CAPITAL

General Information on the Company

The Company was incorporated on March 21, 1985 and is a public limited liability company organized under the laws of the Republic of Finland. The Company is registered in the Trade Register under business identity code 0592509-6. The registered business name of the Company is DNA Oyj and it is domiciled in Helsinki, Finland. Its registered office is located at Läkkisepäntie 21, FI-00620 Helsinki, Finland, and its telephone number is +358440440.

According to Article 2 of its articles of association, the line of business of the Company is general telecommunications and the provision of data communications, ICT, entertainment and television services. The Company also imports equipment, devices, accessories and software and acts as a trader and an intermediary. In addition, the Company provides consulting and services related to the above-mentioned operations as well as telephone and other types of communications. The Company also has the right to offer payment services. The payment services provided by the Company are listed in the register of payment service providers of the Financial Supervisory Authority. The Company may own real estate and securities, engage in securities trading and conduct investment and finance operations that support the Company's operations.

DNA's History

DNA's mobile operations started in 1999 following the award of a nationwide 3G license. In 2000, DNA was awarded a GSM mobile network license and it started to build its GSM network while commencing telecommunications operations. The DNA brand was launched in February 2001.

In 2003, DNA acquired the mobile, distribution and network businesses of Telia Mobile AB's Finnish branch.

In 2007, Finnet Oy acquired the telecommunications operations of five companies (KPY Palvelut Oy, Lännen Puhelin Oy, Oulun Puhelin Oy, Päijät-Hämeen Puhelin Oyj and Satakunnan Puhelin Oy) as well as the shares of Lohjan Puhelin Oy Liiketoiminta and Hiidenverkot Oy. In connection with the said reorganization, Finnet Oy was renamed DNA Oy. In addition to its mobile operations, the group received strong and firm network operations which comprise voice, data, cable TV and security services for both households and companies.

In 2007, cable TV operator Suomen 3KTV Oy merged with DNA's subsidiary DNA Palvelut Oy, which merged into DNA in 2009.

In 2010, DNA completed the acquisition of Welho cable TV and the fixed broadband operations from Sanoma Entertainment Oy, thus becoming the largest cable TV operator in Finland.

In July 2011, DNA strengthened its Corporate segment's product offering through the acquisition of Forte Netservices Oy. The acquisition has allowed DNA to provide a broader selection of services mainly to medium sized enterprises and key other accounts in the ICT market.

In 2012, DNA acquired certain call center services from GoExcellent, resulting in 470 customer service specialists transferring to the DNA group.

In 2013, DNA acquired Digi TV Plus Oy and strengthened its position in the pay TV market.

In March 2014, Digi TV Plus Oy changed its name to DNA Welho Oy, at which time also, as a result of operational restructuring, all TV related and fixed line consumer broadband business was transferred to DNA Welho Oy. DNA Welho Oy remains a fully owned subsidiary of the Issuer.

In June 2014, DNA acquired TDC Finland thereby strengthening its position with the larger scale corporate clients, most notably in the corporate data communications market.

In August 2014, DNA and Telia Company formed a joint operation, Suomen Yhteisverkko Oy, the purpose of which is to construct a joint mobile communications network in the Northern and Eastern Finland utilizing primarily the 800MHz licenses. DNA owns 49 percent of the shares and votes in the joint operation, while Telia Company owns the remainder.

In April 2015, DNA launched its new single-brand strategy. The previously separate DNA Kauppa, DNA Welho and DNA Business brands were fused into the new DNA brand.

Shares and Share Capital

As at the date of this Offering Circular, the Company's fully paid up share capital amounts to EUR 72,702,225.65, consisting of 127,325,850 Shares. The Shares have no nominal value. The Company has one series of shares, which have an ISIN code of FI4000062385. As at the date of this Offering Circular, the Company does not hold any Shares. The Shares were entered into the Finnish book-entry securities system on June 27, 2013. Each Share entitles its holder to one vote at the general meetings of shareholders of the Company. The Shares are issued under Finnish law.

As at the date of this Offering Circular, the Company's articles of association contain redemption and consent clauses as well as an arbitration clause. The extraordinary general meeting of the Company on October 25, 2016, decided that these clauses be removed from the articles of association. The amendment will be registered in the Trade Register in connection with or immediately prior to the registration of New Shares. In case the New Shares are registered in several tranches, these amendments will be registered in connection with or immediately prior to the registration of the first tranche.

History of Share Capital

The following table sets forth a summary of the changes in the Company's share capital and the number of Shares during the three years preceding the date of this Offering Circular:

	Number of Shares outstanding	Numbers of treasury shares	Total number of Shares	Share capital	Registered
				(EUR)	
January 1, 2013	**8,478,532**	**1,132,144**	**9,610,676**	**72,702,225.65**	
December 31, 2013	**8,478,532**	**1,132,144**	**9,610,676**	**72,702,225.65**	
Directed share issue	601		601		July 11, 2014
December 31, 2014	**8,479,133**	**1,132,144**	**9,611,277**	**72,702,225.65**	
Directed share issue	605		605		January 2, 2015
Share subscription under the share based reward plan	6,475		6,475		January 15, 2015
Transfer of treasury shares as a part of remuneration	1,657	(1,657)	0		
December 31, 2015	**8,487,870**	**1,130,487**	**9,618,357**	**72,702,225.65**	
Transfer of treasury shares as a part of remuneration	520	(520)	0		
Cancellation of treasury shares		(1,129,967)	(1,129,967)		October 13, 2016
Subdivision of shares (split) through share issue without payment	118,837,460		118,837,460		October 27, 2016
October 27, 2016	**127,235,850**	**0**	**127,325,850**	**72,702,225.65**	

Current Authorizations

On March 31, 2016, the annual general meeting of shareholders of the Company authorized the Board of Directors to decide on the repurchase of treasury shares. Based on the authorization, a maximum total of 960,000 treasury shares can be repurchased. Treasury shares can only be repurchased using the Company's unrestricted shareholders' equity. The repurchase can take place in one or several instalments. The Board of Directors will decide on the manner of the repurchase. Treasury shares can be repurchased in deviation from the shareholders' ratio of ownership (directed acquisition). Own shares can be used for making acquisitions or other business related arrangements, to improve the capital structure or for use in the Company's incentive schemes, provided that the acquisition is in the interest of the Company and its shareholders. The authorization will be effective until June 30, 2017. The authorization invalidated the earlier authorization of the Board of Directors regarding repurchase of treasury shares.

On March 31, 2016, the annual general meeting of shareholders of the Company decided to authorize the Board of Directors to decide on a share issue. The shares to be issued based on the authorization may be new shares or treasury shares. A maximum total of 960,000 shares can be issued based on the authorization. The shares may be issued in one or several tranches. Based on the authorization, the Company may also decide to issue new treasury shares. The Board of Directors of the Company was authorized to decide on all terms and conditions of the share issue. The issuance may be carried out in deviation from the shareholders' pre-emptive rights (directed share issue) provided that there are weighty financial reasons for the Company, such as using shares in the Company's incentive schemes, payments of share compensation for the Board of Directors, carrying out business arrangements or improving the capital structure of the Company. The authorization will be effective until June 30, 2018. The authorization invalidated the earlier authorization of the Board of Directors regarding issuance of shares.

On October 25, 2016, the extraordinary general meeting of the Company authorized the Board of Directors to decide on applying for the admission of the Company's Shares to trading on the Helsinki Stock Exchange at a point of time deemed fit by the Board of Directors. The authorization will be effective until June 30, 2017.

On October 25, 2016, the extraordinary general meeting of the Company authorized the Board of Directors to decide on a share issue and the granting of options and other special rights entitling to shares referred to in Chapter 10, section 1 of the Companies Act. A maximum of 7,500,000 new shares or treasury shares held by the Company can be issued under the authorization. The proposed maximum number under the authorization corresponds to approximately 5.9 percent of the Company's shares as at the date of this Offering Circular. The Board of Directors can act on this authorization in one or several tranches.

The authorization allows the Board of Directors to decide upon a directed issue including the right to derogate from the shareholders' pre-emptive subscription right and upon the granting of special rights provided that the requirements set forth by law are met. The Board of Directors will be authorized to decide on the other terms and conditions of the share issue and the granting of special rights. Under the authorization, shares can also be issued and special rights granted without payment. The Board of Directors can act on this authorization in connection with the Share Issue that is to be carried out in the occasion of the Company's Listing as well as in connection with the implementation of incentive schemes and possible payment of share remuneration to the members of the Board of Directors.

To allow for the creation of a long-term incentive scheme, the authorization shall be effective for five years, i.e. until October 25, 2021. The authorization did not modify or invalidate earlier authorizations to the Board of Directors.

Amendments in the articles of association

On October 25, 2016, the extraordinary general meeting of the Company decided on the following amendments to the articles of association:

- the article 2 concerning the Company's line of business be amended;
- the maximum number of the members of the Board of Directors be increased to nine and the age limit be removed (article 3);
- the separate article 7 concerning the giving of procuration be removed and including it into article 6 concerning representation;
- the auditor's term be changed for a financial period and nominating the auditor annually in the annual general meeting of shareholders and the articles (8 and 10) concerning the terminology for auditors be updated;
- the article 9 concerning the notice for the general meeting of shareholders be delivered by publishing it on the Company's website and the notice be delivered three months prior to the general meeting of shareholders at the earliest;
- minor changes in the article 10 concerning the documents to be presented and matters to be decided on in the general meeting; and
- redemption clause (article 12), consent clause (article 13) and arbitration clause (article 14) be removed.

As at the date of the Offering Circular, the Company's articles of association contain redemption and consent clauses as well as an arbitration clause. The Company's extraordinary general meeting of October 25, 2016 decided that these clauses be removed from the articles of association. However, such removal as well as amendment to clause 9 concerning the notice of and pre-registration for the meeting will only be filed for registration in connection with or immediately prior to the Board of Directors' decision on the Offering on or about November 29, 2016, and the registration of New Shares. In case the New Shares being filed for registration in several tranches, said amendments will be registered in connection with registration of the first tranche or immediately prior to it.

Shareholder Rights

Pre-emptive Right

Pursuant to the Finnish Companies Act, shareholders of a Finnish company have a pre-emptive right, in proportion to their shareholdings, to subscribe for new shares in such company, unless the decision regarding share issue provides otherwise. Pursuant to the Finnish Companies Act, a resolution that deviates from the shareholders' pre-emptive rights must be approved by at least two-thirds of all votes cast and shares represented at a general meeting of shareholders. In addition, pursuant to the Finnish Companies Act, such a resolution requires that the company has a weighty financial reason to deviate from the pre-emptive rights of shareholders.

Certain shareholders resident in, or with a registered address in, certain jurisdictions other than Finland may not be able to exercise pre-emptive rights in respect of their shareholdings unless a registration statement, or an equivalent thereof under the applicable laws of their respective jurisdictions, is effective or an exemption from any registration or similar requirements under the applicable laws of their respective jurisdictions is available.

General Meeting of Shareholders

Pursuant to the Finnish Companies Act, shareholders exercise their power to resolve matters at general meetings of shareholders. Pursuant to the articles of association of the Company, the annual general meeting of shareholders of the Company must be held annually within six months from the end of the financial year. At the annual general meeting of shareholders, shareholders also make decisions regarding, among other things, use of profits shown on the statement of financial position, the discharge from liability of the members of the board of directors and the President and CEO as well as the election of the members of the board of directors and auditors and their respective remuneration. At the annual general meeting of shareholders, the financial statements, including the income statement, statement of financial position and cash flow statement with notes thereto and consolidated financial statements, are presented to the shareholders for adoption. An extraordinary general meeting of shareholders in respect of specific matters must be convened when deemed necessary by the board of directors, or when requested in writing by an auditor of the company or by shareholders representing at least one-tenth of all of the issued and outstanding shares in the company.

Pursuant to the articles of association of the Company, a notice to the general meeting must be furnished to the shareholders of the Company by sending an invitation to the address entered into the shareholders register or by publishing the notice in one or several large circulation daily newspapers named by the Board of Directors of the Company no earlier than two months, and no later than nine days, prior to the record date of the general meeting of shareholders. The record date of the general meeting of shareholders is eight business days prior to the general meeting of shareholders. In order to be able to attend the general meeting of shareholders, the shareholder of the Company must notify the Company by the date stated in the notice of the general meeting of shareholders, which may be no earlier than ten days prior to the general meeting of shareholders.

In order to have the right to attend and vote at a general meeting of shareholders, a shareholder must register no later than eight business days prior to the relevant general meeting of shareholders in the register of shareholders maintained by Euroclear Finland in accordance with Finnish law. See "*Finnish Securities Markets—Finnish Book-entry Securities System*." A beneficial owner of nominee-registered shares wishing to attend and vote at the general meeting of shareholders should seek a temporary registration in the register of shareholders maintained by Euroclear Finland by the date announced in the notice to the general meeting of shareholders, which date must be after the record date of the general meeting of shareholders. A notification for temporary registration of a beneficial owner into the shareholder register of the company is considered a notice of attendance at the general meeting of shareholders. There are no quorum requirements for general meetings of shareholders in the Finnish Companies Act or in the articles of association of the Company.

Voting Rights

A shareholder may attend and vote at a general meeting of shareholders in person or through an authorized representative. Each Share entitles its holder to one vote at the general meeting of shareholders. At a general meeting of shareholders, resolutions are generally passed with the majority of the votes cast. However, certain resolutions, such as any deviations from shareholders' pre-emptive rights in respect of share offerings and repurchases of own shares, amendments to the articles of association and resolutions regarding mergers, demergers or liquidation of a company, require at least two thirds of the votes cast and the shares represented at the general meeting of shareholders. In addition, certain resolutions, such as amendments to the articles of association that change the respective rights of shareholders holding the same class of shares or increase the redemption rights of a company or its shareholders require the consent of all shareholders, or where only certain shareholders are affected, require the consent of all shareholders affected by the amendment in addition to the applicable majority requirement.

Dividends and Other Distributions of Funds

In accordance with the prevailing practice in Finland, dividends on shares in a Finnish limited liability company, if any, are generally declared once a year. Dividends may be paid and unrestricted equity may be otherwise distributed after the general meeting of shareholders has adopted the company's financial statements and resolved on the amount of dividend or other distribution of unrestricted equity based on the proposal by the board of directors of the company. Pursuant to the Finnish Companies Act, the payment of a dividend or other distribution of unrestricted equity may also be based on financial statements other than those for the preceding financial year, provided that such financial statements have been adopted by the general meeting of shareholders. If the company has an obligation to elect an auditor pursuant to law or its articles of association, such financial statements must be audited. The payment of a dividend or other distribution of unrestricted equity requires the approval of the majority of the votes cast at a general meeting of shareholders of the company. Pursuant to the Finnish Companies Act, the general meeting of shareholders may also authorize the board of directors to resolve upon payment of dividends and other distributions of unrestricted equity. The amount of the dividend or other distribution of unrestricted equity cannot exceed the amount stipulated by the general meeting of shareholders.

Under the Finnish Companies Act, the shareholders' equity in a company is divided into restricted and unrestricted equity. Restricted equity consists of the share capital, the fair value reserve and the revaluation reserves according to the Finnish Accounting Act (1336/1997, as amended) as well as any possible reserve fund and share premium fund formed under the previous Finnish Companies Act (734/1978, as amended) effective prior to September 1, 2006. Pursuant to the current Finnish Companies Act, a company may also distribute funds by reducing its share capital, which requires the approval of the majority of votes cast at a general meeting of shareholders of the company. A decision regarding the share capital reduction must be registered in the Trade Register within one month from the general meeting of shareholders of the company that resolved on such share capital reduction. Following the registration of the share capital reduction, a creditor hearing process may be commenced and the Trade Register will issue, upon application of the company, a notice to the creditors of the company. The reduction of the share capital may be registered if none of the creditors of the company has opposed the reduction of the share capital or the company has received a confirmatory judgment to the effect that the opposing creditors have either received payment for their receivables or a securing collateral has been placed by the company for the payments of such receivables.

The amount of any dividend or other distribution of unrestricted equity is limited to the amount of distributable funds of the company stated in the financial statements upon which the decision to pay dividends or otherwise distribute unrestricted equity are based, subject to any material changes in the financial position of the company since the financial statements were prepared. Distribution of funds, whether by way of dividend or other distribution of unrestricted equity, is prohibited if it is known, or it should be known, at the time such decision is made that the company is insolvent or that such distribution would cause the company to become insolvent. Distributable funds include the net profit for the preceding financial year, retained earnings from previous financial years and other unrestricted equity, adjusted for the loss set forth in the statement of financial position and the amounts that the articles of association of the company require to be left undistributed. Distributable funds are, where applicable, to be further adjusted for capitalized incorporation, research and certain development costs in accordance with the provisions of the Act on the Implementation of the Finnish Companies Act (625/2006, as amended). A parent company of a consolidated group of companies may not distribute more than the amount of distributable funds shown on the parent company's latest audited and adopted financial statements. The dividend may not exceed the amount proposed or otherwise accepted by the board of directors, unless so requested at the general meeting by shareholders representing at least one-tenth of all of the issued and outstanding shares in the company, in which case, the dividend can be no more than the lesser of (i) at least one-half of the profit for the preceding financial year less the amount that the articles of association of the company require to be left undistributed (if any) and (ii) the amount of distributable funds as described above. However, in such case, the dividend cannot exceed 8 percent of the total shareholders' equity of the company and the distributable amount must be adjusted for any dividends paid during the financial period before the annual general meeting of shareholders.

Dividends and other distributions of funds are paid to shareholders, or their nominees entered in the register of shareholders on the relevant record date. Such a register is maintained by Euroclear Finland through the relevant book-entry account operators. Under the Finnish book-entry securities system, dividends are paid by account transfers to the accounts of the shareholders appearing in the register. All Shares will carry equal rights to dividends and other distributions of funds by the Company (including distributions of assets in the event of the liquidation of the Company).

After they are registered in the Trade Register, the New Shares will entitle the holders to dividends and other distributions of funds by the Company as well as other shareholder rights. The right to dividends expires within three years from the dividend payment date.

For information relating to taxation of dividends, see "*Taxation*."

Treasury Shares

Pursuant to the Finnish Companies Act, a company can repurchase its own shares. Resolutions regarding the repurchase of a company's own shares must be made by the general meeting of shareholders, unless the general meeting of shareholders has authorized the board of directors to resolve upon share repurchases using unrestricted equity. Any such authorization with regard to a public limited liability company may remain in effect for no more than 18 months. A public limited liability company may not, directly or indirectly, own more than 10 percent of all shares in the company. As at the date of this Offering Circular, the Company does not hold any Shares.

Transfers through the Finnish Book-entry System

Upon a sale of shares through the Finnish book-entry securities system, the relevant shares are transferred from the seller's book-entry account to the purchaser's book-entry account as an account transfer. For the sale, allocation data is recorded into Euroclear Finland's HEXClear system and, if necessary, a provision regarding the book-entry security is made to the book-entry account. The sale is registered as an advance transaction until settlement and payment, after which the purchaser is automatically registered in the register of shareholders of the relevant company. If the shares are registered in the name of a nominee and the seller's and purchaser's shares are deposited in the same custodial nominee account, a sale of shares does not require any entries into the Finnish book-entry securities system, unless the nominee changes or the shares are transferred from the custodial nominee account pursuant to the sale.

Restrictions on Foreign Ownership

Restrictions on foreign ownership of Finnish companies were abolished as of January 1, 1993. However, the Act on the Control of Foreigners' Acquisition of Finnish Companies (172/2012, as amended, the **Control Act**) grants Finnish authorities some control over the ownership of Finnish companies operating in areas sensitive from a national security perspective. Pursuant to the Control Act, clearance by the Finnish Ministry of Employment and the Economy is required if a foreign person or entity, other than a person or entity from another member state of the EU or the European Free Trade Association (EFTA), were to acquire a holding of one-tenth or more of the voting rights of a Finnish company involved in the defense industry. Furthermore, there are no minimum thresholds for the number of employees or the amount of turnover or total assets of the acquired company before a clearance procedure is triggered. Pursuant to the Control Act, foreign persons or entities are not required to seek clearance by the Finnish Ministry of Employment and the Economy for acquisitions of Finnish companies operating in other industries than the defense industry.

Foreign Exchange Control

Shares in a Finnish company may be purchased by non-residents of Finland without any separate Finnish exchange control consent. Non-residents may also receive dividends without separate Finnish exchange control consent, the transfer of assets out of Finland being subject to payment by the company of withholding taxes in the absence of an applicable taxation treaty. Non-residents having acquired shares in a Finnish limited liability company may receive shares pursuant to a bonus issue or through participation in a rights issue without separate Finnish exchange control consent. Shares in a Finnish company may be sold in Finland by non-residents, and the proceeds of such sale may be transferred out of Finland in any convertible currency. There are no Finnish exchange control regulations restricting the sale of shares in a Finnish company by non-residents to other non-residents.

PLAN OF DISTRIBUTION

Placing Agreement

The Company, the Institutional Sellers and the Managers named below are expected to sign a placing agreement on or about November 29, 2016 (the Placing Agreement). According to the Placing Agreement, the Company agrees to issue and the Institutional Sellers agree to sell Offer Shares to the purchaser procured by the Managers or, failing which, to the Managers themselves, and each of the Managers, severally and not jointly, will agree to procure purchasers for, or failing such procurement, to subscribe of purchase, the percentage of the total number of Offer Shares opposite such Manager's name below. Sellers other than Institutional Sellers will enter into separate commitments in respect of the Sale Shares to be offered and sold by them.

	Percentage of Offer Shares
Danske Bank A/S, Helsinki Branch	35%
Morgan Stanley & Co. International plc	35%
J.P. Morgan Securities plc	12%
Nordea Bank Finland Plc	6%
Skandinaviska Enskilda Banken AB (publ) Helsinki Branch	12%
Total	**100%**

The Placing Agreement provides that the obligations of the Managers to procure purchasers for, or failing which, to purchase themselves, the Offer Shares are subject to certain conditions and may be subject to termination by the Joint Global Coordinators (for themselves and on behalf of the Managers) under certain circumstances, including force majeure, pursuant to the Placing Agreement. If the Joint Global Coordinators elect to terminate the several commitments of the Managers, the Offering may be cancelled and, if cancelled, no Offer Shares will be delivered.

The Placing Agreement provides that the Company will indemnify the Managers against certain liabilities.

Over-Allotment Option

Pursuant to the Placing Agreement, the Institutional Sellers and the Stabilizing Manager may agree that the Institutional Sellers shall give the Stabilizing Manager an over-allotment option exercisable within 30 days from the commencement of trading of the Share on the Helsinki Stock Exchange (which is estimated to occur between November 30, 2016 and December 29, 2016 (the **Stabilization Period**), to purchase or to procure purchasers for a maximum of 6,064,100 additional Shares solely to cover over-allotments (the **Over-Allotment Option**). The Shares included in the Over-Allotment Option represent approximately 4.6 per cent of the Shares and votes after the Share Issue assuming that the Sellers sell maximum amount of Sale Shares and that the Company issues 4,766,905 New Shares (the number of New Shares is calculated assuming that the Final Offer Price would be at the mid-point of the Preliminary Price Range (as described below) and total of 50,000 New Shares would be subscribed in the Personnel Offering at the discount applicable to such New Shares).

Stabilization

After the Offering, the Stabilizing Manager may, but is not obligated to, within the Stabilization Period, engage in measures which stabilize, maintain or otherwise affect the price of the Shares. The Stabilizing Manager may allocate a larger number of Shares than the total number of Offer Shares, which creates a short position. The short position is covered if the short selling does not exceed the number of Shares, which Stabilizing Manager can acquire through the Over-Allotment Option. The Stabilizing Manager may close covered short selling with the Over-Allotment Option or by purchasing Shares in the market. In determining the acquisition method of the Shares to cover short selling, the Stabilizing Manager considers, among other things, the market price of the Shares compared to the Over-Allotment Option price. After the Offering, Stabilizing Manager may also bid for and purchase Shares in the market to stabilize the share price. These measures may raise or maintain the market price of the Shares in comparison with the price levels determined independently on the market or may prevent or delay any decrease in the market price of the Shares. However, the stabilization measures may not be conducted on a higher price than what is the Final Offer Price. The Stabilizing Manager has no obligation to carry out these measures, and they may stop any of these measures at any time. The Stabilizing Manager or the Company on behalf of the

Stabilizing Manager will publish information regarding the stabilization required by legislation or other applicable regulations at the end of stabilization period.

Any stabilization measures will be conducted in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

The Stabilizing Manager and the Institutional Sellers are expected to sign a share lending agreement on or about November 22, 2016 related to the settlement and stabilization. According to the share lending agreement, the Stabilizing Manager may borrow a number of Shares equal to the Over-Allotment Option to cover any possible over-allotments in connection with the Offering. To the extent that the Stabilizing Manager borrows Shares in this manner, it must return an equal number of Shares to the Institutional Sellers.

Lock-up

The parties mentioned below shall agree with the Managers that, during a period ending 180 days from the Listing, i.e. until May 29, 2017 as regards the Company, and 360 days from the Listing, i.e. until November 25, 2017 as regards the Institutional Sellers, the members of the Board of Directors, executive officers and certain other key employees of the Company, neither any of these persons nor any party acting on their behalf, save for the Offering and certain other exceptions, will, without the prior written consent of the Joint Global Coordinators, issue, offer, pledge, sell, contract to sell, sell any option rights or contract to purchase, purchase any option or contract to sell, grant any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares or any securities exchangeable for or convertible into or exercisable for, or substantially similar to, Shares, or enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Shares, whether any such transactions are to be settled by delivery of the Shares or other securities, in cash or otherwise. The lock-up does not apply to certain situations, including, as regards the Company, the issue by the Company of any Shares upon the exercise of an option under share option schemes in existence at the date of commencement of trading of the Shares on the Helsinki Stock Exchange disclosed in this Offering Circular and, as regards the Sellers and other parties named above, a takeover bid concerning the Company or a Share buyback directed to all shareholders, and does not concern shares other than those owned by the Sellers Institutional Sellers and the members of the Board of Directors or the management of the Company at the date of admission of the Shares to trading on the Helsinki Stock Exchange. Mutual Pension Insurance Company Ilmarinen and the Sellers other than Institutional Sellers have correspondingly agreed that, during a period ending 360 days from the Listing, i.e. until November 25, 2017 as regards the Sellers other than Institutional Sellers and 90 days from the Listing i.e. until February 28, 2017 as regards Mutual Pension Insurance Company Ilmarinen, these persons will not, without the prior written consent of the Joint Global Coordinators, sell, pledge, transfer or otherwise dispose the Shares owned by them.

By submitting a Commitment to participate in the Personnel Offering the respective party agrees to be bound by a lock-up in respect of Personnel Shares. In accordance with these lock-up restrictions, parties participating in the Personnel Offering may not, without the prior written consent of the Joint Global Coordinators (which consent may not be unreasonably withheld) during a period ending 360 days from the Listing, i.e. until approximately November 25, 2017, sell, sell short, pledge or otherwise directly or indirectly transfer Personnel Shares, option rights or warrants to purchase Personnel Shares or other securities exchangeable for or convertible into or exercisable for Personnel Shares that they may hold or purchase in the Personnel Offering or be authorized to transfer. Investors participating in the Personnel Offering agree that the lock-up described above can be registered in their book-entry accounts.

The lock-ups concern in total approximately 69.2 percent of the Shares and votes after the Share Issue without the Over-Allotment Option (approximately 64.6 percent including the Over-Allotment Option) assuming that the Sellers sell maximum amount of Sale Shares and that the Company issues 4,766,905 New Shares (the number of New Shares is calculated assuming that the Final Offer Price would be at the mid-point of the Preliminary Price Range (as described below) and total of 50,000 New Shares would be subscribed in the Personnel Offering at a discount applicable to such New Shares).

Other Issues

The Sellers will pay transfer tax payable under the Finnish tax legislation in respect of the transfer of Sale Shares. Purchasers of the Shares which are not Finnish tax residents may be required to pay stamp taxes and other charges in accordance with the laws and practices applicable to such purchasers in addition to the Final Offer Price.

The Company intends to submit a listing application to the Helsinki Stock Exchange for the listing of the Offer Shares and the existing Shares in the Company on the official list maintained by the Helsinki Stock Exchange. Trading in the Offer Shares is expected to begin on the pre-list of the Helsinki Stock Exchange on or about November 30, 2016 and on the official list of the Helsinki Stock Exchange on or about December 2, 2016. Trading in the Personnel Shares is expected to begin on or about December 16, 2016. The share trading code of the Shares is "DNA" and ISIN code FI4000062385.

Offer Shares issued in the Public Offering are recorded in the book-entry accounts of investors who have made an approved Commitment on or about the first banking day after the Pricing takes place, on or about November 30, 2016. In the Institutional Offering, the Offer Shares will be ready to be delivered against payment on or about December 2, 2016 through Euroclear Finland. Personnel Shares are recorded in the book-entry accounts of investors who have made an approved Commitment on or about December 16, 2016. All dealing in the Shares prior to settlement will be for the account and at the sole risk of the parties involved.

In connection with the Offering, the Managers and any affiliates acting as investors for their own account may take up Offer Shares and in that capacity may retain, purchase or sell Offer Shares for their own account and may offer or sell such securities other than in connection with the Offering, in each case, in accordance with applicable law. The Managers do not intend to disclose the extent of any such investment or transaction other than in accordance with any legal or regulatory obligation to do so.

The offering and sale of the Offer Shares will be made (a) inside the United States by the Managers (other than Nordea) through their respective selling agents to QIBs in reliance on Rule 144A or pursuant to another available exemption from the registration requirements of the U.S. Securities Act, (b) outside the United States in offshore transactions in reliance on Regulation S and (c) within Finland in a Public Offering and Personnel Offering pursuant to the Finnish Prospectus. Nordea's activities in connection with the Offering will be limited solely to outside the United States. Any offer of sale of Offer Shares in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act will be made by broker dealers registered as such under the U.S. Exchange Act. The Shares of the Company (including the Offer Shares) have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the U.S. Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S and Rules 144A.

Any offers and sales within the United States are being made solely by eligible registered broker-dealer affiliates of the underwriters.

No action has been or will be taken in any jurisdiction other than Finland that would permit a public offering of the Offer Shares, or the possession, circulation or distribution of this Offering Circular or any other material relating to us or the Offer Shares in any jurisdiction where action for that purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisement in connection with the Offer Shares may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

The Company and the Sellers have undertaken to pay the Managers a commission for the services provided in the Placing Agreement, which is based on the gross proceeds from the Offer Shares, including possible sale of Option Shares pursuant to the Over-Allotment Option. The liability for the commission is divided between the Sellers and the Company on the basis of the share of gross proceeds received by the Company and each of the Sellers from Sale Shares and New Shares. In addition, the Company may at its own discretion pay the Managers an incentive fee. The total estimated commissions and expenses incurred by the Sellers in connection with the Share Sale is approximately EUR 7.5 million calculated by the mid-point of the Preliminary Price Range and the maximum number of Sale Shares assuming that the Over-Allotment Option is not used. The management of the Company estimates that the Company will incur total fees, commissions and estimated expenses of approximately EUR 12 million at most, assuming that the Company will issue 4,766,905 New Shares (the number of New Shares calculated assuming that the

Final Offer Price would be by the mid-point of the Preliminary Price Range and a total of 50,000 New Shares would be subscribed for in the Personnel Offering at the discount applicable to such New Shares).

The Final Offer Price will be published through a stock exchange release after the Pricing. There can be no assurance that an active trading market will develop for the Shares in the public market or that the price of the Shares will not fall below the Final Offer Price. (see "*Risk Factors—Risks related to the Shares and the Offering—The Shares have not previously been subject to public trading, and, thus, the share price may be volatile and an active and liquid trading market may not develop*".)

The Managers and their affiliates have engaged in transactions with and performed various investment banking, commercial banking and other services for the Company, the Sellers and their respective subsidiaries and affiliates in the past and may do so from time to time in the future and may be paid fees in connection with such services from time to time. However, all services provided by the Managers, including in connection with the Offering, have been provided as an independent contractor and not as a fiduciary to the Company or the Sellers. See "*Background and Reasons for the Offering and Use of Proceeds*"

As described in "*Board of Directors, Management and Auditors—Board of Directors and Executive Team*," certain members of the Board of Directors have a beneficial interest in the Institutional Sellers and therefore have an interest in the Offering. These members of the Company's Board of Directors may give a commitment to subscribe for Offer Shares in the Personnel Offering. The Executive Team of DNA and certain other key employees have interests in the Offering due to the share based compensation plan. The Company is not aware of any other interest that is material to the Offering.

The subscription period for the Offering will commence on November 15, 2016 at 10 a.m. (Finnish time) and end on November 25, 2016 at 4 p.m. (Finnish time) for the Public Offering, on November 29, 2016 at 12 noon (Finnish time) for the Institutional Offering and on November 25, 2016 at 4 p.m. (Finnish time) for the Personnel Offering. The subscription period may be discontinued or extended pursuant to the terms and conditions of the Offering. If the Placing Agreement is terminated, any monies received in respect of the Public Offering will be returned to applicants without interest.

As a result of the issuance of New Shares in the Offering, the number of Shares could increase to 132,092,755 Shares assuming that the Company will issue 4,766,905 New Shares (the number of New Shares calculated assuming that the Final Offer Price for the New Shares would be at the mid-point of the Preliminary Price Range and total of 50,000 New Shares would be subscribed in the Personnel Offering at the discount applicable to such New Shares), which corresponds to a dilution for the existing shareholders of approximately 3.6 percent.

SELLING AND TRANSFER RESTRICTIONS

Selling Restrictions

General

No public offer is being made and no one has taken any action that would, or is intended to, permit a public offering of the Offer Shares to be made in any country or jurisdiction, other than Finland, where any such action for that purpose is required.

Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material nor advertisement in connection with the Offer Shares may be distributed or published in or from any country or jurisdiction except in compliance with applicable rules and regulations of such country or jurisdiction. It is the responsibility of any person who receives a copy of this document to satisfy himself or herself as to full observance of the laws of any relevant territory with respect to any actions he or she may take, including the obtaining of any requisite governmental or other consent or the observance of any requisite formalities and the payment of any issue, transfer or other taxes due in such territory.

United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. See "—*Transfer Restrictions*" below.

European Economic Area

In relation to each member state of the European Economic Area (**EEA**) (including Iceland, Norway and Liechtenstein) which has implemented the Prospectus Directive (each, a **Relevant Member State**), an offer to the public of any Offer Shares may not be made in that Relevant Member State (other than the public offering in Finland contemplated by the Finnish Prospectus), except that an offer to the public in the Relevant Member State of any Offer Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(1) to qualified investors within the meaning of Article 2(1)(c) of the Prospectus Directive;

(2) to fewer than 150 natural or legal persons (other than a person that is a qualified investor within the meaning of Article (2)(1)(c) of the Prospectus Directive) subject to obtaining the prior consent of the Managers for any such offer; or

(3) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Offer Shares shall result in a requirement for the publication by the Company, the Seller or any Manager of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EC) and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

In the United Kingdom, this Offering Circular is only addressed to, and directed to qualified investors within the meaning of Article 2(1)(c): (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the **Order**); and/or (ii) who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, and other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as **relevant persons**). The Offer Shares are only available in the United Kingdom, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the Offer Shares in the United Kingdom, will be engaged in only with, relevant persons. Any person in the United Kingdom who is not a relevant person should not act or rely on this Offering Circular or any of its contents.

Canada

The Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45–106 Prospectus Exceptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31–103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Shares must be made in accordance with and exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to Section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33–105 Underwritings Conflicts (NI 33–105), the Managers are not required to comply with the disclosure requirements of NI 33–105 regarding underwriting conflicts of interest in connection with the Offering.

DIFC

This Offering Circular relates to an Exempt Offer in accordance with the Offered Securities Rule of the DFSA. This Offering Circular is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Offering Circular nor taken steps to verify the information set forth herein and has no responsibility for this Offering Circular. The Shares to which this Offering Circular relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Offer Shares should conduct their own due diligence on the Shares. If you do not understand the contents of this Offering Circular, you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Offering Circular is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the Shares may not be offered or sold directly or indirectly to the public in DIFC.

Japan

The Shares have not been and will not be registered under the Financial Instruments and Exchange Law (Law No.25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, **Japanese Person** shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed in the SIX Swiss Exchange (the **SIX**) or on any other stock exchange or regulated trading facility in Switzerland. This Offering Circular has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering of marketing material relating to the Shares or the Offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offering Circular not any other offering or marketing material relating to the Offering, the Company or the Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Offering Circular will not be filed with, and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (**FINMA**), and the offer of Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (the **CISA**). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Shares.

Transfer Restrictions

The Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Offer Shares are only to be offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and within the United States to persons reasonably believed to be qualified institutional buyers pursuant to an exemption from the registration requirements of the U.S. Securities Act. Terms used in this section are used as defined in Regulation S and/or Rule 144A.

Each purchaser of Offer Shares outside the United States pursuant to Regulation S will be deemed to have represented and agreed that it has received a copy of this Offering Circular and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is purchasing Offer Shares in an offshore transaction meeting the requirements of Regulation S;

(2) the purchaser has not purchased the Offer Shares as a result of any directed selling efforts;

(3) the purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to restrictions on transfer;

(4) the purchaser will not offer, sell, pledge, or transfer any Offer Shares, except in accordance with the U.S. Securities Act and any applicable laws of any state of the United States and any other jurisdictions;

(5) the purchaser is not engaged in the business of distributing securities or, if it is, the purchaser agrees that it will not offer or sell in the United States (a) any Offer Shares that it acquires in the Offering at any time or (b) any Offer Shares that it acquires other than in the Offering until 40 days after the date hereof, except in both cases in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act pursuant to Rule 144A or Regulation S thereunder; and

(6) the Company shall not recognize any offer, sale, pledge or other transfer of the shares made other than in compliance with the above-stated restrictions.

Each purchaser of Offer Shares in the United States pursuant to Rule 144A will be deemed to have represented and agreed that it has received a copy of the Offering Circular and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser (a) is a qualified institutional buyer, (b) is aware that the sale to it is being made in reliance on Rule 144A, and (c) is acquiring such Offer Shares for its own account or for the account of another qualified institutional buyer;

(2) the purchaser acknowledges that the Offer Shares (a) have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States, (b) are being offered and sold in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act and (c) are "restricted securities" within the meaning of Rule 144A(a)(3) under the U.S. Securities Act and are subject to restrictions on transfer.

(3) for so long as the Offer Shares are "restricted securities", the purchaser will only offer, sell, pledge or otherwise transfer the Offer Shares: (a) to a person reasonably believed to be a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, (b) in accordance with Regulation S, or (c) in accordance with Rule 144 under the Securities Act (if available), in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

(4) for so long as the shares are "restricted securities", the purchaser will not deposit, or cause to be deposited, the shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility; and

(5) the Company shall not recognize any offer, sale, pledge, or other transfer of the shares made other than in compliance with the above-stated restrictions.

Prospective purchasers are hereby notified that sellers of the Offer Shares may be relying on the exemption from registration requirements of Section 5 of the Securities Act provided by Rule 144A.

Furthermore, each purchaser in a Relevant Member State, other than, in the case of paragraph (a) below, persons receiving offers contemplated in this Offering Circular in Finland who receive any communication in respect of, or who acquire any Offer Shares under, the Offering contemplated in this Offering Circular, will be deemed to have represented and agreed that:

(a) the purchaser is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

(b) in the case of any Offer Shares acquired by the purchaser as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Offer Shares acquired by it in the Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer and resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the Prospectus Directive as having been made to such persons.

FINNISH SECURITIES MARKETS

The following summary is based on tax laws as in effect and applied on the date of the Offering Circular, as well as on current case law and tax practice. Any changes in tax laws and their interpretation may also have a retroactive effect. The summary is not exhaustive. Prospective investors are advised to consult a tax advisor in order to obtain information about tax consequences resulting from the Listing as well as the subscription, ownership and disposition of the Offer Shares. Prospective investors should consult a tax advisor with respect to the tax consequences applicable to their particular circumstances.

Trading and Settlement on the Helsinki Stock Exchange

The currency for trading in, and clearing of, securities on the Helsinki Stock Exchange is euro, with the tick size for trading quotations depending on the share price. The tick size of shares valued at EUR 0.00–0.499 is 0.001, the tick size of shares valued at EUR 0.50–0.995 is 0.005, and the tick size of shares valued at more than EUR 1.00 is 0.01. The 25 most traded shares on the Helsinki Stock Exchange follow a different tick size regime. All price information is produced and published only in euro. The Helsinki Stock Exchange is a member of NOREX, an alliance between the Nordic and Baltic exchanges intended to create a common Nordic and Baltic securities market. Trading in the equities market on the Helsinki Stock Exchange takes place in the INET Nordic trading system. The main trading phases of the Helsinki Stock Exchange are pre trading, trading and post-trading. For shares, pre-trading at the prices established during the previous trading day begins at 9:00 a.m. and ends at 9:45 a.m. Trading with calls and continuous trading takes place from 9:45 a.m. to 6:30 p.m. Opening call begins at 9:45 a.m. and ends at 10:00 a.m. Orders entered during the pre-trading session and existing orders with several days' validity are automatically transferred into the opening call. Continuous trading begins immediately after the opening call ends at 10:00 a.m. when the first share is assigned its opening price and then becomes subject to continuous trading. After approximately six minutes, the opening prices for all shares have been established and trading continues at prices based on market demand until 6:25 p.m., when the closing call is initiated. The closing call ends at approximately 6:30 p.m., when the closing prices are determined. Post- trading, during which only contract transactions for shares at the prices established during the trading day can be registered, takes place from 6:31 p.m. to 7:00 p.m. Trades are normally cleared in Euroclear Finland's automated clearing and settlement system (HEXClear) on the second banking day after the trade date (T+2) unless otherwise agreed by the parties. The Helsinki Stock Exchange is a part of Nasdaq. Nasdaq also owns and maintains the stock exchanges in Stockholm, Copenhagen, Riga, Reykjavik, Vilnius and Tallinn. Nasdaq Nordic consists of four local stock exchanges, which are located in Copenhagen, Helsinki and Stockholm. The four exchanges are separate legal entities in different jurisdictions; therefore, each exchange has its own rules and regulations. The companies listed on these four exchanges are presented on one common list—the Nordic List—with harmonized listing requirements. Companies are presented in segments based on market value and in sectors according to industry affiliation.

Regulation of the Finnish Securities Market

The securities market in Finland is supervised by the FFSA. The principal statute governing the Finnish securities market is the Finnish Securities Markets Act, which contains regulations with respect to company and shareholder disclosure obligations, prospectuses and public tender offers, among other things. The FFSA and the Helsinki Stock Exchange have issued more detailed regulations pursuant to the Finnish Securities Markets Act. Furthermore, the regulation of the European Parliament and of the Council on market abuse ((EU) No 596/2014, **MAR**), harmonizing market abuse rules within the EU, became applicable on 3 July 2016. MAR contains prohibitions on insider dealing, unlawful disclosure of inside information and market manipulation. MAR also contains rules on, among other things, procedures relating to disclosure of inside information, maintenance of insider lists and disclosure of managers' transactions. The FFSA monitors compliance with these regulations. The Finnish Securities Markets Act specifies minimum disclosure requirements for Finnish companies applying for listing on the Helsinki Stock Exchange, or making a public offering of securities in Finland. The information provided must be sufficient to enable a potential investor to make a sound evaluation of the securities being offered and the issuing company as well as of matters that may have a material effect on the value of the securities. Finnish listed companies have a continuing obligation to publish financial information on the company and to disclose any matters likely to have a significant effect on the prices of their securities. A shareholder is required, without undue delay, to notify a Finnish listed company and the FFSA when its voting interest in, or its percentage ownership of, the total number of shares in such Finnish listed company reaches, exceeds or falls below five percent, ten percent, 15 percent, 20 percent, 25 percent, 30 percent, 50 percent, 66.67 percent (2/3) or 90 percent, calculated in accordance with the Finnish Securities Markets Act, or when it has on the basis of a financial instrument the right to receive an amount of shares that reaches, exceeds or falls below any such threshold. If a Finnish listed company receives information indicating that a voting interest or ownership interest has reached, exceeded or fallen below any of these thresholds, it must disclose such information without undue delay and deliver it to the main media and to the Helsinki Stock Exchange. If a shareholder has violated its obligation to notify on voting interest or ownership, the FFSA may, due to a weighty reason, prohibit the shareholder from using its right to vote or to be presented in the general meeting for the shares to which the violation relates.

Pursuant to the Finnish Securities Markets Act, a shareholder whose holding in a listed company increases, after the commencement of a public quotation of such shares, above three-tenths or above one-half of the total voting rights attached to the shares in the company, calculated in accordance with the Finnish Securities Markets Act, must make a public tender offer to purchase the remaining shares and other securities entitling holders to shares in such company for fair value. If the securities that caused the above mentioned limits to be reached have been purchased pursuant to a public tender offer that has been made for all shares in the target company and other securities entitling holders to shares in such company, or have been otherwise acquired during the tender offer period of such public tender offer, the obligation to make a tender offer is not triggered. If a company has two or more shareholders whose holdings of voting rights exceed the above mentioned limit, only the shareholder with the most voting rights is required to make a tender offer. If a shareholder exceeds the above mentioned limit due solely to acts of the company or another shareholder, such shareholder is not required to make a tender offer before purchasing or subscribing for more shares in the target company or otherwise increasing its holding of voting rights in the target company. If the above-mentioned limit is exceeded due to the shareholders acting in concert when making a voluntary tender offer, the obligation to make a tender offer is not triggered if acting in concert is limited only to such tender offer. There is no obligation to make a tender offer if a shareholder or another party who is acting in concert with such shareholder gives up its voting rights in excess of the above mentioned limit within one month after such limit was exceeded provided that the shareholder publishes its intention and voting rights are not used during such time. Under the Finnish Companies Act, a shareholder with shares representing more than 90 percent of all shares and voting rights attached to all shares in a company has the right to redeem remaining shares in such company for fair value. In addition, any minority shareholder that possesses shares that may, pursuant to the Finnish Companies Act, be redeemed by a majority shareholder is entitled to require such majority shareholder to redeem its shares. Detailed rules apply for the calculation of the above proportions of shares and votes.

Under the Finnish Securities Markets Act, a Finnish listed company must directly or indirectly belong to an independent body, established in Finland, that broadly represents the business sector which has, in order to promote compliance with good securities markets practice, issued a recommendation which relates to the actions of the management of the target company regarding a public takeover bid (the **Helsinki Takeover Code**). According to the Finnish Securities Markets Act, a listed company must provide an explanation in case it is not committed to complying with the Helsinki Takeover Code.

Net short positions relating to shares tradable on the Helsinki Stock Exchange must be disclosed to the FFSA in accordance with regulation of the European Parliament and of the Council on short selling and certain aspects of credit default swaps (EU 236/2012). The obligation to disclose net short positions applies to all investors and market participants. A net short position regarding shares admitted to trading on a regulated market must be disclosed when the position reaches, exceeds or falls below 0.2 percent of the issued share capital of the target company. A new notification must be disclosed for each 0.1 percent exceeding the above threshold. The FFSA publishes the notified net short positions on its website, if the net short position reaches, exceeds or falls below 0.5 percent of the issued share capital of the target company.

The Finnish Penal Code (39/1889, as amended) criminalizes the breach of disclosure requirements, the misuse of inside information and market manipulation. Pursuant to MAR, Finnish Securities Markets Act and the Finnish Act on the Financial Supervisory Authority (878/2008, as amended), the FFSA has the right to impose administrative sanctions to the extent the offence does not fall within the scope of the Finnish Penal Code. The FFSA can, for example, issue a public warning or impose administrative fines or penalty payments for the breach of the provisions relating to disclosure requirements, public tender offer, insider lists, managers' transactions or market abuse. The disciplinary board of the Helsinki Stock Exchange may give a warning or note or impose a disciplinary fine or order the company to be removed from the stock exchange list.

Finnish Book-entry Securities System

General

The book-entry securities system refers to a system in which physical share certificates have been changed to book-entries registered in book-entry accounts. The Finnish book-entry securities system is centralized at Euroclear Finland, which offers national clearing, settlement and registration services for securities. Euroclear Finland maintains a central book-entry register for both equity and debt securities. The business address of Euroclear Finland is Urho Kekkosen katu 5C, FI-00100 Helsinki, Finland. The use of the book-entry securities system is mandatory for companies whose shares are listed on the Helsinki Stock Exchange. The Company will file an application for the Shares to be admitted to trading on the official list of the Helsinki Stock Exchange. The trading in the Shares is expected to commence on the pre-list of the Helsinki Stock Exchange on or about November 30, 2016 and on the official list of the Helsinki Stock Exchange on or about December 2, 2016. Euroclear Finland maintains a register of shareholders for each listed company and book-entry accounts for shareholders that do not wish to utilize the services of commercial account operators. The expenses incurred by Euroclear Finland in connection with maintaining the book-entry securities system are borne mainly by the issuers participating in the book-entry securities system and the account operators. The account operators, which consist of credit institutions, investment firms and other institutions licensed to act as account operators by Euroclear Finland, are entitled to make entries in the book-entry register and administer the book-entry accounts.

Registration

In order to hold entries in the book-entry securities system, a security holder must open a book-entry account with Euroclear Finland or an account operator. A foreigner, foreign entity or trust may hold book-entries. Such persons may also deposit book-entries in a custodial nominee account, where the shares are registered in the name of a custodial account holder in the company's register of shareholders. A custodial nominee account must contain information on the custodial account holder instead of the beneficial owner and indicate that the account is a custodial nominee account. Book-entry securities owned by one or more beneficial owners may be registered in a custodial nominee account. In addition, the shares owned by a foreigner, foreign entity or trust may be deposited in a book-entry account opened in the name of such foreigner, foreign entity or trust, but the holding may be registered in the name of a nominee in the company's register of shareholders. For shareholders who have not transferred their shares into book-entries, a joint book-entry account is opened with Euroclear Finland with the issuer as registered holder. All transfers of securities registered with the book-entry securities system are executed as computerized book-entry transfers to the extent they are executed in the book-entry securities system. The account operator confirms the book-entry by sending a statement of book-entries made to the holder of the respective book-entry account at least four times a year. The book-entry account holders also receive an annual statement of their holdings at the end of each calendar year.

Each book-entry account is required to contain specific information with respect to the account holder and other holders of rights to the book-entries entered into the account as well as information on the account operator administering the book-entry account. The required information also includes the type and number of book-entries registered as well as the rights and restrictions pertaining to the account and to the book-entries registered in the account. A custodial nominee account is identified as such on the entry. Euroclear Finland and the account operators are required to observe strict confidentiality. Certain information (*e.g.*, the name and address of each account holder) contained in the register of shareholders maintained by Euroclear Finland must be made available to the public by Euroclear Finland and the company, except in the case of custodial nominee registration. The FFSA is also entitled to certain information on the holdings of shares registered in a custodial nominee account upon request. The company has the same rights in respect of shares and instruments that entitle the holder to shares issued by the company.

Each account operator is strictly liable for errors and omissions in its registration activity, and for any unauthorized disclosure of information. If an account holder has suffered a loss as a result of a faulty registration or other mistake or defect relating to the entries and the account operator has not compensated such loss due to insolvency that is not temporary, such account holder is entitled to receive compensation from the statutory registration fund of Euroclear Finland. The capital of the registration fund must be at least 0.0048 percent of the average of the total market value of the book-entries kept in the book-entry securities system during the last five years and it must not be less than EUR 20 million. The compensation to be paid to an injured party is equal to the amount of damages suffered subject to a limit of EUR 25,000 per account operator. The liability of the registration fund to pay damages in relation to each incident is limited to EUR 10 million.

Custody of the Shares and Nominees

A non-Finnish shareholder may appoint an account operator (or certain other Finnish or non-Finnish organizations approved by Euroclear Finland) to act on its behalf. A custodial nominee account holder is entitled to receive dividends on behalf of the shareholder. A beneficial owner wishing to attend and vote at general meetings of shareholders must seek a temporary registration to the shareholders' register and the shares must be registered in the shareholders' register no later than eight business days prior to the relevant general meeting of shareholders. Upon request by the FFSA or the relevant company, a custodial nominee account holder is required to disclose the name of the beneficial owner of any shares registered in such custodial nominee's name, provided the beneficial owner is known, as well as the number of shares owned by such beneficial owner. If the name of the beneficial owner is not known, the custodial nominee account holder is required to disclose corresponding information on the representative acting on behalf of the beneficial owner and to submit a written declaration of the representative to the effect that the beneficial owner of the shares is not a Finnish natural person or legal entity. Finnish depositories for both Euroclear Bank S.A./N.V., as operator of Euroclear Finland, and Clearstream have nominee accounts within the book-entry securities system and, accordingly, non-Finnish shareholders may hold their shares through their accounts with Euroclear Bank S.A./N.V. or Clearstream. A shareholder wishing to hold his/her shares in the book-entry securities system in his/her own name but who does not maintain a book-entry account in Finland is required to open a book-entry account at an account operator and a convertible euro account at a bank.

Compensation Fund for Investors and Deposit Insurance Fund

The Finnish Act on Investment Services (747/2012, as amended) sets forth a compensation fund for investors. Under this act, investors are divided into professional and non-professional investors. The fund does not compensate any losses by professional investors. The definition of professional investor includes business enterprises and public entities, which are deemed to understand the securities markets and their associated risks. An investor may also provide notice in writing that, on the basis of his/her professional skills and experience in the securities markets, he/she is a professional investor; however, natural persons are presumed to be non-professional investors. Investment firms and credit institutions must belong to the compensation fund. The compensation fund safeguards payment of clear and indisputable claims when an investment company or a credit institution has been declared bankrupt, is undergoing a restructuring process, or is otherwise, for a reason other than temporary insolvency, not capable of paying claims within a determined period of time. For valid claims, the compensation fund will pay 90 percent of the investor's claim against each investment company or credit institution, up to a maximum of EUR 20,000. The compensation fund does not provide compensation for losses due to decreases in stock value or bad investment decisions. Accordingly, investors continue to be liable for the consequences of their own investment decisions. According to the Act on the Financial Stability Authority (1195/2014, as amended), depositary banks must belong to a deposit guarantee fund, which is intended to safeguard payments of receivables in the depositary bank's account or receivables in the forwarding of payments that have not yet been entered into an account if the depositary bank becomes insolvent and the insolvency is not temporary. The customers of a depositary bank can be compensated by the deposit guarantee fund up to a maximum of EUR 100,000. An investor's funds can be safeguarded either by the deposit guarantee fund or the compensation fund; however, an investor's funds cannot be safeguarded by both funds.

TAXATION

The following summary is based on tax laws as in effect and applied on the date of the Offering Circular, as well as on current case law and tax practice. Any changes in tax laws and their interpretation may also have a retroactive effect. The summary is not exhaustive. Prospective investors are advised to consult a tax advisor in order to obtain information about tax consequences resulting from the Listing as well as the subscription, ownership and disposition of the Offer Shares. Prospective investors should consult a tax advisor with respect to the tax consequences applicable to their particular circumstances.

Finnish Tax Considerations

The following is a description of the material Finnish income tax and transfer tax consequences that may be relevant with respect to the Offering. The description below is applicable to both Finnish resident and non-resident natural persons and limited liability companies for the purposes of Finnish domestic tax legislation relating to dividend distributions on Shares and capital gains arising from the sale of Shares.

The following description does not take into account or discuss tax laws of any other country than Finland and does not address tax considerations applicable to such holders of Shares that may be subject to special tax rules relating to, among others, different restructurings of corporations, controlled foreign corporations, non-business carrying entities, income tax exempt entities or general or limited partnerships. Furthermore, this description does not address Finnish inheritance or gift tax consequences.

This description is primarily based on:

- The Finnish Income Tax Act (*Tuloverolaki* 1535/1992, as amended, the **Finnish Income Tax Act**);
- The Finnish Business Income Tax Act (*Laki elinkeinotulon verottamisesta* 360/1968, as amended, the **Finnish Business Income Tax Act**);
- The Act on the Taxation of Income of a Person Subject to Limited Tax Liability (*Laki rajoitetusti verovelvollisen tulon verottamisesta* 627/1978, as amended); and
- The Finnish Transfer Tax Act (*Varainsiirtoverolaki* 931/1996, as amended).

In addition, relevant case law as well as decisions and statements made by the tax authorities in effect and available as at the date of this Offering Circular have been taken into account.

The following description is subject to change, which change could apply retroactively and could, therefore, affect the tax consequences described below.

General

Residents and non-residents of Finland are treated differently for tax purposes. The worldwide income of persons resident in Finland is subject to taxation in Finland. Non-residents are taxed on income from Finnish sources only. Additionally, Finland imposes taxes on non-residents for income connected with their permanent establishments situated in Finland. However, tax treaties may limit the applicability of Finnish tax legislation and also the right of Finland to tax Finnish source income received by a non-resident.

Generally, a natural person is deemed to be a resident in Finland if such person remains in Finland for a continuous period of more than six months or if the permanent home and abode of such person is in Finland. However, a Finnish national who has moved abroad is considered to be resident in Finland until three years have passed from the end of the year of departure unless it is proven that no substantial ties to Finland existed during the relevant tax year. Earned income, including salary, is taxed at progressive rates. Currently, capital income tax rate is 30 percent. In addition, should the amount of capital income received by a resident natural person exceed EUR 30,000 in a calendar year, the capital income tax rate is 34 percent on the amount that exceeds EUR 30,000. Corporate entities established under the laws of Finland are regarded as residents in Finland and are, therefore, subject to corporate income tax on their worldwide income. In addition, non-residents are subject to Finnish corporate income tax on their income connected with their permanent establishments situated in Finland. Currently, the corporate income tax rate is 20 percent.

The following is a summary of certain Finnish tax consequences relating to the purchase, ownership and disposition of Shares by Finnish resident and non-resident shareholders.

Personnel Offering

Under the Finnish Income Tax Act employer may offer new shares for subscription by employee at a discount not exceeding 10 percent without arising taxable benefits. The discount is calculated as difference between the fair value and subscription price calculated as provided in the Income Tax Act. The shares offered by the employer shall be new issued shares and shares shall be offered to the majority of personnel in order to fulfill the prerequisites for tax exemption.

Discount on subscription price of new shares exceeding 10 percent is considered as taxable earned income of the employee subject to withholding of tax as salary. The discount provided in personnel offering is in general exempted from social security and pension contributions. The employee health insurance premium is, however, payable on the taxable part of the benefit.

The Finnish Tax Administration has not issued guidelines or precedent concerning giving personnel shares to external employees. If the Finnish Tax Administration considers the discount provided for external employees in the Personnel Offering as wholly taxable income, of which the Company is subject to advance tax withholding and possible supplementary costs, the Company will compensate external employees for potential tax consequences to them.

Taxation of Dividends

Resident Natural Persons

If shares owned by a natural person are not included in the business activity (i.e., business income source) of such person, 85 percent of dividends paid by a publicly listed company (as defined in Section 33a, Subsection 2, of the Finnish Income Tax Act) (a **Listed Company**) to such shareholder is considered capital income of the recipient, which is taxable at the rate of 30 percent (34 percent on the amount that exceeds EUR 30,000 in a calendar year), while the remaining 15 percent is tax exempt. 85 percent of dividends paid by a Listed Company to a natural person whose underlying shares belong to the business activity of such shareholder is taxable partly as earned income, which is taxed at a progressive rate, and partly as capital income, which is taxed at a rate of 30 percent (34 percent on the amount that exceeds EUR 30,000 in a calendar year), and the remaining 15 percent is tax exempt.

Distribution of dividends by a Listed Company to resident natural persons is subject to advance tax withholding. Currently, the amount of the advance tax withholding is 25.5 percent. The advance tax withheld by the distributing company is credited against the final tax payable by the shareholder for the dividend received.

Finnish Limited Liability Companies

Taxation of dividends distributed by a Listed Company depends, among other things, on whether the Finnish company receiving the dividend is a Listed Company or not.

Dividends received by a Listed Company from another Listed Company are generally tax exempt. However, in cases where the underlying shares are included in the investment assets of the shareholder, 75 percent of the dividend is taxable income while the remaining 25 percent is tax exempt. Only banking, insurance and pension institutions may have investment assets.

Dividends received by a Finnish company that is not a Listed Company (i.e., by a privately held company) from a Listed Company are taxable income subject to 20 percent corporate income tax rate. However, in cases where the privately held company directly owns 10 percent or more of the share capital of the Listed Company distributing the dividend, the dividend received on such shares is tax exempt, provided that the underlying shares are not included in the investment assets of the shareholder.

Non-residents

As a general rule, non-residents of Finland are subject to Finnish withholding tax on dividends paid by a Finnish company. The withholding tax is withheld by the company distributing the dividend at the time of dividend payment and no other taxes on the dividend are payable in Finland. The withholding tax rate is 20 percent for non-resident corporate entities as income receivers and 30 percent for all other non-residents as income receivers, unless otherwise set forth in an applicable tax treaty.

Finland has entered into double taxation treaties with several countries pursuant to which the withholding tax rate is reduced on dividends paid to persons entitled to the benefits under such treaties. For example, in the case of the treaties with the following countries, Finnish withholding tax rate regarding portfolio shares is generally reduced to the following percentages: Austria: 10 percent; Belgium: 15 percent; Canada: 15 percent; Denmark: 15 percent; France: 0 percent; Germany: 15 percent; Ireland: zero percent; Italy: 15 percent; Japan: 15 percent; the Netherlands: 15 percent; Norway: 15 percent; Spain: 15 percent; Sweden: 15 percent; Switzerland: 10 percent; the United Kingdom: 0 percent; and the United States: 15 percent (0 percent for certain pension funds). This list is not exhaustive. A further reduction in the withholding tax rate is usually available to corporate shareholders for distributions on qualifying holdings (usually direct ownership of at least 10 or 25 percent of the share capital or votes of the distributing company). The reduced withholding rate benefit in an applicable tax treaty will be available if the person beneficially entitled to the dividend has provided a valid tax card or necessary details of its nationality and identity to the company paying the dividend.

Where shares in a Finnish company are held through a nominee account, a Finnish company pays dividends to the nominee account managed by the custodian, who then delivers the dividend payment to the beneficial owners. If shares are held through a nominee account and the person entitled to receive dividends on such shares is a resident in a tax treaty country, the withholding tax rate on the dividend is the tax rate set forth in the relevant tax treaty; however, the tax rate must be at least 15 percent (if the tax rate set forth in the tax treaty is less than 15 percent, an application including the necessary details of the nationality and identity of the beneficial owner may be submitted for the refund of the excess withholding tax). This means that with respect to dividends on shares held through a nominee account, tax is withheld at the rate set in the applicable tax treaty, higher than 15 percent or 15 percent absent thorough clarification of the identity of the person beneficially entitled to the dividend. Such procedure, however, requires that the foreign custodian intermediary be registered in the Finnish tax authorities' register and that it is resident in a country with which Finland has a double taxation treaty. Also, the foreign custodian intermediary must have an agreement with the Finnish account operator regarding the custody of the shares. In such agreement, the foreign custodian intermediary must, among other things, commit to report the dividend receiver's residential country to the account operator and to provide additional information to the tax authorities, if needed. If these provisions are not fulfilled, the 20 percent withholding tax is withheld on the nominee account's dividends for non-resident corporate entities and 30 percent for all other non-residents unless otherwise set forth in an applicable tax treaty.

Certain Qualifying Non-resident Corporate Entities Residing in EU Member States

Under Finnish tax laws, no withholding tax is levied on dividends paid to foreign corporate entities that reside, and are subject to corporate tax, in an EU member state as specified in Article 2 of the Parent Subsidiary Directive (2011/96/EU) and that directly hold at least 10 percent of the capital in the distributing Finnish company.

Certain Non-resident Corporate Entities Residing within the EEA

Dividends paid to certain non-resident corporate entities residing within the EEA are either fully tax exempt or taxed at a reduced withholding tax rate, depending on how the dividend would be taxed if paid to a corresponding Finnish corporate entity.

In Finland, no withholding tax is levied on dividends paid by a Finnish company to a non-resident company provided that (i) the company receiving the dividend is resident in a country within the EEA; (ii) Council Directive 2011/16/EU on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC (the **Mutual Assistance Directive**), or an agreement regarding executive assistance and exchange of information in tax matters within the EEA, is applicable to the home country of the recipient of the dividend; (iii) the company receiving the dividend corresponds to a Finnish corporate entity as defined in Section 33d, Subsection 4, of the Finnish Income Tax Act or in Section 6a of the Finnish Business Income Tax Act; (iv) the dividend would be fully tax exempt if paid to such corresponding Finnish company or entity (see "*—Finnish Limited Liability Companies*" above); and (v) the company receiving the dividend provides evidence (in the form of a certificate issued by the home country's tax authorities) that the paid withholding tax could not de facto be fully credited in the home country pursuant to the applicable double taxation treaty.

In cases where the dividend received by a foreign company fulfilling requirement set forth in point (iii) above and residing within a country fulfilling the requirements set forth in points (i) and (ii) above would be only partially tax exempt if paid to a corresponding Finnish entity (see "*—Finnish Limited Liability Companies*" above), the Finnish withholding tax is levied (see "*—Non-residents*" above), but the withholding tax rate in respect of such dividends is reduced to 15 percent (instead of 20 percent). Therefore, exclusive of entities defined in the Parent Subsidiary Directive that qualify for a tax exemption through the direct ownership of at least 10 percent of the capital in the distributing Finnish company (see "*—Certain Qualifying Non-resident Corporate Entities Residing in EU Member States*" above), the 15 percent withholding tax rate is applicable to dividends paid to non-resident companies fulfilling the requirement set forth in point (iii) above and residing within a country fulfilling the requirements set forth in points (i) and (ii) above if the underlying shares in the Finnish company distributing the dividend belong to the investment assets of the recipient company, or if the recipient is not a Listed Company. Depending on the applicable double taxation treaty, the applicable withholding tax rate can also be less than 15 percent (see "*—Non-residents*" above).

Certain Non-resident Natural Persons Residing within the EEA

Instead of being subject to withholding tax as described under "—Non-residents" above, dividends paid to non-resident natural persons can be, upon request by such non-resident natural person, taxed pursuant to the Finnish Act on Assessment Procedure (1558/1995, as amended) (i.e., taxed similarly to dividends paid to residents of Finland (see "*—Resident Natural Persons*" above)) provided, however, that (i) the person receiving the dividend is resident in a country within the EEA; (ii) the Mutual Assistance Directive, or an agreement regarding executive assistance and exchange of information in tax matters within the EEA, is applicable to the home country of the recipient of the dividend; and (iii) the recipient of the dividend provides evidence (in the form of a certificate issued by the home country's tax authorities) that any paid withholding tax could not de facto be fully credited in the home country pursuant to an applicable double taxation treaty.

Capital Gains

Resident Natural Persons

A capital gain or loss arising from the sale of shares that do not belong to the business activity of the shareholder is taxable in Finland as a capital gain or deductible as a capital loss for resident natural persons. Capital gains are currently taxed at a rate of 30 percent (34 percent on the amount that exceeds EUR 30,000 in a calendar year). If the shares belong to the business activity (business income source) of the seller, any gain arising from the sale is deemed to be business income of the seller, which will be divided according to the Finnish Income Tax Act to be taxed as earned income at a progressive tax rate and capital income at a rate of 30 percent (34 percent on the amount that exceeds EUR 30,000 in a calendar year).

Capital loss arising from the sale of shares that do not belong to the business activity of the shareholder in the year 2016 and thereafter, is primarily deductible from the resident natural person's capital gains and secondarily from other capital income of the same year and during the following five tax years. Capital losses are not taken into account when calculating the capital income deficit for the tax year, and they do not increase the amount of the deficit credit that is deductible from the taxes under the deficit crediting system. The deductibility of losses related to securities included in the sellers business activity is determined as described under "*—Finnish Limited Liability Companies*" below.

Notwithstanding the above, capital gains arising from the sale of assets that do not belong to the business activity of the shareholder are exempt from tax provided that the proceeds of all assets sold by the resident natural person during the tax year do not, in aggregate, exceed EUR 1,000 (exclusive of proceeds from the sale of any assets that are tax exempt pursuant to Finnish tax laws). Correspondingly, capital losses are not tax deductible if the acquisition cost of all assets sold during the tax year does not, in aggregate, exceed EUR 1,000 (exclusive of proceeds from the sale of any assets that are tax exempt pursuant to Finnish tax laws) and also the proceeds of all assets sold by the resident natural person during the tax year do not, in aggregate, exceed EUR 1,000.

Any capital gain or loss is calculated by deducting the original acquisition cost and sales related expenses from the sales price. However, the tax exempt part of the subscription discount related to personnel offering is not included in the acquisition cost of shares when calculating capital gains or losses. Alternatively, a natural person holding shares that are not included in the business activity of the shareholder may, instead of deducting the actual acquisition costs, choose to apply a so called presumptive acquisition cost, which is equal to 20 percent of the sales price, or in the case of shares which have been held for at least ten years, 40 percent of the sales price. If the presumptive acquisition cost is used instead of the actual acquisition cost, any selling expenses are deemed to be included therein and cannot be deducted separately from the sales price.

Finnish Limited Liability Companies

The following applies only to Finnish limited liability companies that are taxed on the basis of the Finnish Business Income Tax Act. As a general rule, a capital gain arising from the sale of shares is taxable income of a limited liability company.

Shares may be fixed assets, current assets, investment assets or financial assets of a limited liability company. The taxation of a disposal of shares and loss of value varies according to the asset type for which the shares qualify. Shares may also qualify as non-business income source assets of a limited liability company. The Finnish Income Tax Act's provisions are applied to capital gains that have arisen from the sale of assets from non-business income sources.

The sales price of any sale of shares is generally included in the business income of a Finnish company. Correspondingly, the acquisition cost of shares is deductible from business income upon disposal of the shares. However, an exemption for capital gains on share disposals is available for Finnish companies, provided that certain strictly defined requirements are met. Under this so called participation exemption, capital gains arising from the sale of shares that are part of the fixed assets of a selling company that is not engaged in private equity activities are not considered as taxable business income and, correspondingly, capital losses incurred on the sale of such shares are not tax deductible provided, among other things, that (i) the selling company has directly and continuously for at least one year owned at least 10 percent of the share capital in the company whose shares are sold and such ownership of the sold shares has ended at the most one year before the sale and the shares sold belong to those shares; (ii) the company whose shares have been sold is not a real estate or residential housing company or a limited liability company whose activities, on a factual basis, mainly consist of ownership or possession of real estate; and (iii) the company whose shares are sold is resident in Finland, in another EU member state as specified in Article 2 of the Parent Subsidiary Directive (2011/96/EU) or in a country with which Finland has entered into a tax treaty of double taxation that is applicable to dividends.

Tax deductible capital losses pertaining to the sale of shares (other shares than shares sold under the participation exemption) that are part of the fixed assets of the selling company can only be deducted from capital gains arising from the sale of fixed assets shares in the same fiscal year and the subsequent five years. Capital losses pertaining to the sale of shares that are not part of fixed assets are tax deductible from taxable income in the same fiscal year and the subsequent ten years in accordance with the general rules concerning losses carried forward.

Non-residents

Non-residents who are not generally liable for tax in Finland are usually not subject to Finnish taxes on capital gains realized on the sale of shares in a Listed Company, unless the non-resident taxpayer is deemed to have a permanent establishment in Finland for income tax purposes as referred to in the Income Tax Act and an applicable tax treaty and the shares are considered to be assets of that permanent establishment. Non-residents may also be subject to Finnish taxes on capital gains realized on the sale of shares in a Listed Company if more than 50 percent of the assets of the Listed Company consist of Finnish real estate, unless applicable tax treaty limits the taxing right of Finland on capital gains.

Finnish Transfer Tax

There is no transfer tax payable in Finland in connection with the issuance and subscription of new shares.

There is no transfer tax payable in Finland on transfers or sales of the shares admitted to trading on a regularly functioning marketplace that is open for the public if the transfer is made against a fixed pecuniary consideration. The transfer tax exemption requires that an investment firm, a foreign investment firm or other party offering investment services, as defined in the Finnish Investment Services Act (747/2012), is brokering or acting as a party to the transaction, or that the transferee has been approved as a trading party in the market in which the transfer is executed. Further, if the broker or the counterparty to the transaction is not a Finnish investment firm, Finnish credit institution, or a Finnish branch or office of a foreign investment firm or credit institution, the transfer tax exemption requires that the transferee submits a notification of the transfer to the Finnish Tax Administration within two months of the transfer, or that the broker submits an annual declaration regarding the transfer to the Finnish Tax Administration as set forth in the Act on Assessment Procedure (1558/1995, as amended).

Certain separately defined transfers, such as those relating to equity investments or distribution of funds, are not covered by the transfer tax exemption. Neither does the exemption apply to transfers carried out on the basis of an offer made after trading with the securities has ended or before the commencement of trading unless it concerns a share sale of old shares based on a combined purchase and subscription offer directly relating to a share issue carried out in connection with the listing of the shares and provided that subjects to be transferred are specified only after commencement of the trading and that the purchase price corresponds to the price to be paid for the new shares. In addition, the exemption does not apply to transfers carried out in order to fulfill the obligation to redeem minority shares under the Finnish Companies Act. See "*Finnish Securities Markets—Regulation of the Finnish Securities Market.*"

If the transfer or sale of the shares does not fulfill the above criteria for a tax exempt transfer, transfer tax at the rate of 1.6 percent of the sales price is payable by the purchaser. However, if the purchaser is neither a tax resident in Finland nor a Finnish branch or office of a foreign credit institution, investment firm or fund management company, the seller must collect the tax from the purchaser. If the broker is a Finnish stockbroker or credit institution, or a Finnish branch or office of a foreign stockbroker or credit institution, it is liable to collect the transfer tax from the purchaser and pay the tax to the state. If neither the purchaser nor the seller is tax resident in Finland or a Finnish branch or office of a foreign credit institution or foreign investment firm, the transfer of shares will be exempt from Finnish transfer tax unless shares in a real estate company are transferred. No transfer tax is collected if the amount of the tax is less than EUR 10.

THE ABOVE DESCRIPTION IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSEQUENCES RELATING TO ACQUISITION, OWNERSHIP AND DISPOSITION OF OFFER SHARES. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF THEIR PARTICULAR SITUATION.

LEGAL MATTERS

Certain legal matters in connection with the Offering with respect to Finnish law will be passed upon for the Company by Castrén & Snellman Attorneys Ltd and with respect to United States law by Skadden, Arps, Slate, Meagher & Flom (UK) LLP. Certain legal matters in connection with the Offering with respect to Finnish law will be passed upon for the Managers by Borenius Attorneys Ltd and with respect to United States law by Shearman & Sterling (London) LLP.

DOCUMENTS ON DISPLAY

Copies of the following documents may be inspected during the period of validity of this Offering Circular at the registered office of the Company located at Läkkisepäntie 21, FI-00610 Helsinki, Finland, on weekdays during normal business hours:

- the articles of association of the Company as at the date of this Offering Circular;
- the Audited Consolidated Financial Statements and the related independent auditor's report;
- the Unaudited Interim Financial Information and the related independent auditor's review report;
- the independent auditor's assurance report on the profit forecast;
- this Offering Circular; and
- the decision of the FFSA regarding the Finnish Prospectus.

GLOSSARY

The following technical terms and abbreviations when used in this Offering Circular have the definitions ascribed to them opposite below, except where otherwise indicated.

Term	Definitions
2G	Second Generation Mobile System of which GSM represents the universal standard.
3G	Third Generation Mobile System of which UMTS represents the universal standard.
4G	Fourth Generation Mobile System of which LTE represents the universal standard.
API	Application Programming Interface; a set of routine definitions, protocols, and tools for building software and applications in computer programming.
ARPU	Average revenue per user is a telecom industry metric generally calculated by dividing total revenue for a product group by the average number of subscribers during a period.
backbone	The core of an IP-based data communication network with high-capacity connections. The backbone connects critical and high-capacity data communication services to regional distribution networks.
base station or sites	An equipment space where the radio and processing units of a mobile communications network and antennas are placed. A base station also provides a radio connection for mobile communications services to a specific geographical region.
bit	The smallest unit of binary information.
bps	Bits per second.
byte	A sequence of usually eight bits (enough to represent one character of alphanumeric data) processed by a computer as a single unit of information.
COM	Customer Order Management.
CMTS	Cable Modern Termination System; a piece of equipment, typically located in a cable company's headend or hubsite, which is used to provide high speed data services, such as cable broadband, to cable subscribers.
capacity	The amount of bandwidth or throughput that can be handled by a network element.
churn	Churn refers to the percentage of mobile handset subscription deactivations over a given period. We deem mobile handset subscriptions as churned when they voluntarily terminate their mobile service with us (and either move to a different provider or choose not to have a mobile service) or if we terminate their mobile services.
DSL	Digital Subscriber Line; a technology family utilizing a traditional subscriber line loop copper pair for data transfers.
DTT	Digital Terrestrial Television; a technological evolution of broadcast television and an advancement of analog television broadcasting land-based (terrestrial) signals.

Term	Definitions
DVB-T2	Digital Video Broadcasting—Second Generation Terrestrial; the extension of the television standard DVB-T, issued by the consortium DVB, devised for the broadcast transmission of digital terrestrial television.
DOCSIS	Data Over Cable Service Interface Specification; an international telecommunications standard that permits the addition of high-bandwidth data transfer to an existing cable TV (CATV) system.
EPSI Rating	EPSI Rating is a system to collect, analyze and disseminate information about image, preferences and perceived quality as well as loyalty of customers, employees and other stakeholders to commercial entities, NPOs, governmental bodies and other organizations. The EPSI approach focuses on causal analysis derived from structural model elaboration and thorough empirical studies in order to estimate numerical relationships.
ESB	Enterprise service bus; a software architecture model used for designing and implementing communication between mutually interacting software applications in a service-oriented architecture (SOA) (see below in "*Glossary*").
Ethernet	A package-based family of data transfer technologies for data communications network used in local area networks (LANs) and metropolitan area networks (MANs) (see below in "*Glossary*").
EU-15	EU-15 includes Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and the United Kingdom.
EuroDOCSIS	DOCSIS (see above in "*Glossary*") standard modified for use in Europe.
FICORA	Finnish Communications Regulatory Authority.
Finnet Association	A central organization and co-operative forum of local ICT companies, the purpose of which is lobbying its member companies as well as promoting the development and co-operation between the member companies.
frequency	The rate at which an electrical current alternates, usually measured in Hertz (Hz). Also the way to note a description of a general location on the radio frequency spectrum, such as 800 MHz, 900 MHz, 1800 MHz or 2100 MHz.
FTTB	Fiber-to-the-building, -business, or -basement; fiber reaches the boundary of the building, such as the basement in a multi-dwelling unit.
FTTH	Fiber-to-the-home; the fiber-optic technology linking residential customers directly to the fiber network.
FTTx	Fiber-to-the-x; a term that encompasses all forms of fiberoptic distribution and subscriber line delivery, including FTTB and FTTH.
GHz	Gigahertz; a unit of frequency equal to 1,000 million Hertz.
GSM	Global System for Mobile Communication; a second generation (or 2G) mobile technology.
HD	High definition television resolutions transmitted in either 1080p, 1080i or 720p format.
Hertz	A unit of frequency of one cycle per second.

Term	Definitions
HEVC	High Efficiency Video Coding; a video compression standard allowing for high resolution video and data compression through improved parallel processing technology.
hybrid cloud	A composition where the customer can run services or workloads using not only its own capacity or the operator's capacity (private cloud) but also the capacity of a public cloud and utilize these services seamlessly in the same composition.
HFC network	Hybrid-fixed-coaxial network; a coaxial cable broadband network based on optical fiber.
housing association	A limited liability company established for the purpose of owning or keeping possession of buildings, with shares in the housing association conferring the right to possess a specific residential apartment or other part of a building held by the housing association.
ICT, telecommunications	Information and Communication Technology.
interconnection	The way in which networks are connected to each other and the charges payable by one network operation for accepting traffic from or delivering traffic to another. See "*Business—Certain Contracts Relating to the Operation of Our Business*" for a description of our interconnection agreements with other network operators.
Internet of Things	The network of physical devices, vehicles and other items, embedded with electronics, software, sensors, actuators and network connectivity that enable these objects to collect and exchange data.
Internet Protocol or IP	A TCP/IT protocol network connection procedure, which provides network devices with addresses and routes packets between source and destination addresses in the network.
IP PBX	A PBX (Private Branch Exchange) is a system that connects telephone extensions to the Public Switched Telephone Network and provides internal communication for a business. An IP PBX is a PBX with Internet Protocol connectivity and may provide additional audio, video, or instant messaging communication.
IPTV	Internet Protocol television (IPTV) is a system through which television services are delivered using the Internet protocol suite over a packet-switched network such as a LAN or the Internet, instead of being delivered through traditional terrestrial, satellite signal, and cable television formats.
IPv6	Internet Protocol version 6; the most recent version of the Internet Protocol (IP), the communications protocol that provides an identification and location system for computers on networks and routes traffic across the Internet.
IRUs	Indefeasible rights of use are contractual agreements between the operators of a communications cable, such as a fiber optic network and a client. They construe exclusive, unrestricted, and indefeasible rights to use the relevant capacity (including equipment, fibers or capacity) for any legal purpose. The costs for indefeasible rights of use are generally paid up front in a lump sum for a fixed period of use.
LAN	Local Area Network; a computer network that interconnects computers within a limited area such as a residence or office building and has its network equipment and interconnects locally managed.

Term	Definitions
landline	A physical line connecting the subscriber to the telephone exchange. In addition, landline includes fixed wireless systems, in which the users are in fixed locations using a wireless connection (e.g., cordless telephones) to the telephone exchange.
leased line	Voice or data circuits leased to connect two or more locations for the exclusive use of the subscriber.
LTE	Long Term Evolution; a 4G mobile technology standardized by the Third Generation Partnership Project (a collaboration between groups of telecommunications associations).
M2M	Machine-to-machine; direct communication between devices using any communications channel, including wired and wireless, often via the Internet of Things.
MHz	Megahertz; a unit of frequency equal to 1 million Hertz.
MINTC	Ministry of Transport and Communications.
MMS	Multimedia Messaging Service; a form of SMS that enables users to send multimedia content including images, audio and video clips to other users.
mobile broadband	Mobile data transmission services, typically provided using 3G or 4G standards.
MNO	Mobile network operator; a company that has frequency allocations and the required infrastructure to run an independent mobile network, as opposed to an MVNO.
MVNO	Mobile virtual network operator; a mobile operator that does not own its own spectrum and usually does not have its own network infrastructure. Instead, MVNOs have business arrangements with MNOs to acquire network access for sale to their own subscribers.
MPLS	Multi Protocol Label Switching, is a method used to enhance data communication over combined IP/ATM (Asynchronous Transfer Mode, a telecommunications for carriage of a complete range of user traffic) networks.
MSR	Multi Standard Radio; a multi technology radio, i.e. a radio unit enabling a range of mobile standard radio signals to be transmitted and received from a single base station.
MTR	Mobile termination rates are the interconnection fees that a mobile operator charges other mobile operators for calls terminating on its network.
Multi-DMR	Multiple digital rights management systems.
MUX	Multiplex; the grouping of program services that are sub-grouped as interleaved data packets for broadcast over a network or modulated multiplexed medium, which are split out at the receiving end.
network	An interconnected collection of telecom components consisting of switches connect to each other and to customer equipment by real or virtual transmission links. Transmission links may be based on fiberoptic or metallic cable or point-to-point radio connections.
Omnichannel	A cross-channel business model that provides customers with an integrated service experience, enabling customers to be in constant contact with a company through multiple channels at the same time.
operator	A term for any company engaged in the business of building and running its own network facilities.

Term	Definitions
operating result	Result before income tax, share of associates results and financial income and expenses.
over-the-top application or OTT application	Any application or service that provides a product over the Internet and bypasses operator distribution. Services that come over the top are most typically related to media and communication and are generally, if not always, lower in cost than the traditional method of delivery.
penetration	A measurement, usually as a percentage, of the take-up of telecommunications services. Penetration is typically calculated by dividing the number of subscribers or lines by either the number of households or the population to which the service is available.
postpaid	Mobile subscriptions paid for on a recurring basis and requiring customers to remain subscribers for a specified duration.
PVR	Personal Video Recorder.
prepaid	Mobile subscriptions requiring customers to pay for credit in advance without any durational commitment.
quadruple-play	Bundling of fixed-mobile (retail voice, landline internet and mobile services) with TV and video services.
SD	Standard definition television resolution, commonly transmitted in 576i or 480i format.
Set-top box	A set-top box is an information appliance device, such as a digital television adapter or a card reader, which generally displays output to a television set and an external source of signal, turning the source signal into content in a form that can then be displayed on the television screen or other display device.
SIP	Session Initiation Protocol; a communications protocol for signaling and controlling multimedia communication sessions. The most common applications of SIP are in Internet telephony for voice and video calls, as well as instant messaging, over Internet Protocol (IP) networks.
SIP trunk	A Voice over Internet Protocol (VoIP) (see below in "*Glossary*") and streaming media service based on SIP (see above in "*Glossary*"), which is used to deliver telephony services to customers who have SIP-based IP-PBX facilities.
SMS	Short Message Service; a text message service which enables users to send short messages (160 characters or less) to other users.
Software-based SIM cards	A method advanced by manufacturers of devices, which allows producing SIM card operations with mobile handset software without a physical SIM card.
SoHo	Single office/home office.
SOM	Service Order Management.
SMP	Significant market power.
spectrum	A continuous range of frequencies, usually wide in extent, within which radio waves have some certain common characteristics.

Term	Definitions
subscriber	A person or entity who is party to an individual contract with the provider of telecommunications services for the supply of such services. As such, a unique subscriber (see below in "*Glossary*") may be party to multiple individual contracts for telecommunications services and hence be considered to constitute multiple subscribers.
Subscriber Identity Module cards or SIM cards	Cards that contain a smart chip with memory that allows for authentication and management of encryption keys.
SVOD	Subscription-based video-on-demand service, which allows users to select and watch/listen to video or audio content when they choose to, rather than having to watch at a specific broadcast time.
termination rate	The tariff chargeable by a receiving operator for calls terminating on its network. See "*Regulation*."
TVE	A television everywhere service that enables customers to watch television programming on various devices such as televisions, smart phones, tablets and computers, and allows customers to select the television service they want.
TVOD	Transaction video-on-demand service, which allows consumer customers to access titles that are available to rent on an individual basis.
UHF MUX	Ultra-high frequency MUX.
Universal Mobile Telecommunications System or UMTS	A 3G mobile technology.
unique subscriber	A person or entity who is party to one or several contracts with the provider of telecommunications services for the supply of such services.
VoD	Video on demand.
VoIP	Voice over Internet Protocol, a telephone service via internet, or via Internet Protocol, which can be accessed using a computer, a sound card, adequate software and a network connection.
VoLTE	Voice over Long Term Evolution; a digital packet voice service that is delivered over IP via an LTE (see above in "*Glossary*") access network.
VoWiFi	Voice over WiFi; a capability for smartphones that allows a mobile user to use the same phone number and the same smartphone dialer interface whether making a call over the cellular network or over any WiFi network.
virtual private branch exchange or VPBX	A business phone system that provides for example call routing, follow-me calling, voice mail, fax and automatic call distributor queues delivered over the public-switched telephone system.
VPN Network	A virtual private network for securely connecting two or more locations over the public Internet.
WebRTC	Web Real-Time Communications; an open source project that seeks to embed real-time voice, text and video communications capabilities in Web browsers.
WLAN	Wireless Local Area Network, a type of local-area network in which devices communicate wirelessly.

Term	Definitions
XaaS	Anything-as-a-service; refers to the growing diversity of services available over the Internet via cloud computing as opposed to being provided locally, or on premises.
xDSL	A family of technologies, including ADSL and VDSL, providing for digital data transmission over copper wires.

FINANCIAL STATEMENTS AND INTERIM FINANCIAL INFORMATION

DNA OYJ (FORMERLY DNA OY) CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEARS ENDED 31 DECEMBER 2015, 2014 AND 2013

CONSOLIDATED INCOME STATEMENT

EUR in thousands	Note	1 Jan–31 Dec 2015	2014 (Restated*)	2013 (Restated*)
Net sales	**6**	**828,800**	**831,541**	**765,092**
Other operating income	**7**	4,283	1,837	2,404
Materials and services		−375,009	−407,326	−370,218
Employee benefit expenses	**10**	−106,850	−100,985	−85,427
Depreciation, amortization and impairments	**9**	−154,622	−176,626	−147,094
Other operating expenses	**8**	−123,510	−122,840	−122,445
Operating result, EBIT		**73,093**	**25,601**	**42,312**
Finance income	**11**	986	891	1,210
Finance expense	**12**	−12,499	−11,342	−7,175
Share of associates' results	**17**	14	17	−33
Net result before income tax		**61,593**	**15,168**	**36,314**
Income tax expense	**13**	−11,544	−2,771	−8,401
Net result for the period		**50,049**	**12,397**	**27,913**
Attributable to:				
Owners of the parent		50,049	12,397	27,913
Earnings per share for net result attributable to owners of the parent:				
Earnings per share, basic (EUR)	**14**	5.90	1.46	3.29
Earnings per share, diluted (EUR)	**14**	5.90	1.46	3.29

* Note 34

Notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR in thousands	Note	1 Jan–31 Dec 2015	2014 (Restated*)	2013 (Restated*)
Net result for the period		50,049	12,397	27,913
Items that will not be reclassified to profit or loss:				
Remeasurements of post employment benefit obligations	**25**	249	−535	67
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges	**12**	112	179	647
Other comprehensive income, net of tax		**361**	**−356**	**714**
Total comprehensive income		**50,410**	**12,041**	**28,627**
Attributable to:				
Owners of the parent		50,410	12,041	28,627

* Note 34

Notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR in thousands	Note	31 Dec 2015	2014 (Restated*)	2013 (Restated*)
Assets				
Non-current assets				
Goodwill	**16**	327,206	327,206	232,318
Other intangible assets	**16**	158,429	176,867	173,925
Property, plant and equipment	**15**	443,877	432,414	392,299
Investments in associates	**17**	1,186	2,155	2,142
Available-for-sale financial assets	**18**	215	215	215
Trade and other receivables	**19**	37,874	40,413	38,735
Deferred tax assets	**20**	18,840	31,190	31,847
Total non-current assets		**987,626**	**1,010,460**	**871,481**
Current assets				
Inventories	**21**	21,082	19,497	20,806
Trade and other receivables	**19**	176,591	189,006	154,655
Income tax receivables		5,940	11,628	4,013
Cash and cash equivalents	**22**	25,266	10,599	27,055
Total current assets		**228,879**	**230,730**	**206,529**
Total assets		**1,216,505**	**1,241,190**	**1,078,010**
Equity				
Equity attributable to owners of the parent				
Share capital	**23**	72,702	72,702	72,702
Hedge reserve	**23**	0	−112	−292
Reserve for invested unrestricted equity	**23**	607,335	607,335	606,779
Treasury shares		−103,388	−103,546	−103,546
Retained earnings		−101,778	−84,632	−82,314
Net result for the period		50,049	12,397	27,913
Total equity		**524,920**	**504,144**	**521,242**
Liabilities				
Non-current liabilities				
Borrowings	**27**	362,334	327,105	225,845
Employment benefit obligations	**25**	1,939	2,219	1,496
Provisions	**26**	13,023	20,057	7,579
Derivative financial instruments	**30**	0	0	476
Deferred tax liabilities	**20**	28,285	32,518	38,961
Other non-current liabilities		12,502	19,553	21,725
Total non-current liabilities		**418,082**	**401,452**	**296,083**
Current liabilities				
Borrowings	**27**	75,210	162,929	127,879
Provisions	**26**	1,004	3,137	203
Derivative financial instruments	**30**	0	150	0
Trade and other payables	**28**	197,271	169,288	132,504
Income tax liabilities		18	90	100
Total current liabilities		**273,503**	**335,594**	**260,685**
Total liabilities		**691,585**	**737,046**	**556,768**
Total equity and liabilities		**1,216,505**	**1,241,190**	**1,078,010**

* Note 34

Notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR in thousands	1 Jan–31 Dec 2015 (Restated*)	2014 (Restated*)	2013 (Restated*)
Cash flows from operating activities			
Net result for the period	50,049	12,397	27,913
Adjustments[1]	167,003	192,604	159,620
Change in net working capital[2]	35,651	−22,099	−25,639
Dividends received	6	6	6
Interest paid	−6,768	−8,039	−6,588
Interest received	463	580	461
Other financial items	−1,487	−1,724	−1,600
Income taxes paid	2,096	−10,678	−17,731
Net cash generated from operating activities	**247,012**	**163,047**	**136,440**
Cash flows from investing activities			
Investments in property, plant and equipment (PPE) and intangible assets	−152,398	−129,629	−129,976
Proceeds from sale of PPE	1,026	131	460
Acquisition of subsidiaries, net of cash acquired	0	−156,838	−40,496
Other investments	1,637	−400	0
Net cash used in investing activities	**−149,735**	**−286,736**	**−170,012**
Cash flows from financing activities			
Proceeds from issuance of shares	158	557	0
Dividends paid	−30,041	−30,014	−35,016
Proceeds from borrowings	274,561	544,010	307,093
Repayment of borrowings	−327,288	−407,321	−219,674
Net cash generated from (used in) financing activities	**−82,610**	**107,232**	**52,403**
Change in cash and cash equivalents	14,667	−16,456	18,831
Cash and cash equivalents at beginning of year	10,599	27,055	8,224
Cash and cash equivalents at end of year	25,266	10,599	27,055

[1] Adjustments:			
Depreciation, amortisation and impairment	154,622	176,626	147,094
Gains and losses on disposals of non-current assets	−1,215	−131	−320
Other non-cash income and expense	−14	269	−108
Finance income and expense	11,513	10,451	5,965
Income tax expense	11,544	2,771	8,401
Change in provisions	−9,447	2,620	−1,412
Total adjustment	**167,003**	**192,604**	**159,620**
[2] Change in net working capital:			
Change in trade and other receivales	15,216	−14,142	−2,308
Change in inventories	−1,585	1,408	−3,065
Change in trade and other payables	22,020	−9,365	−20,266
Change in net working capital	**35,651**	**−22,099**	**−25,639**

* Note 34

Notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR in thousands	Note	Share capital	Hedge reserve	Reserve for invested unrestricted equity	Treasury shares	Retained earnings	Total equity
1 January 2013		**72,702**	**−939**	**606,779**	**−103,546**	**−47,200**	**527,798**
Comprehensive income							
Net result for the period restated*						27,913	27,913
Other comprehensive income							
Remeasurements of post employment benefit obligations						67	67
Cash flow hedges	**12**		647				647
Total other comprehensive income, net of tax			647			67	714
Total comprehensive income		**0**	**647**	**0**	**0**	**27,980**	**28,627**
Transactions with owners							
Granted options	**24**					−165	−165
Dividends relating to 2012	**23**					−35,016	−35,016
Total contribution by and distributions to owners					**0**	**−35,182**	**−35,182**
31 December 2013		**72,702**	**−292**	**606,779**	**−103,546**	**−54,401**	**521,242**
1 January 2014		**72,702**	**−292**	**606,779**	**−103,546**	**−54,401**	**521,242**
Comprehensive income							
Net result for the period restated*						12,397	12,397
Other comprehensive income							
Remeasurements of post employment benefit obligations						−535	−535
Cash flow hedges	**12**		179				179
Total other comprehensive income, net of tax			179			−535	−356
Total comprehensive income		**0**	**179**	**0**	**0**	**11,862**	**12,041**
Transactions with owners							
Share issue				557			557
Share-based payments	**24**					320	320
Dividends relating to 2013	**23**					−30,014	−30,014
Total contribution by and distributions to owners				**557**	**0**	**−29,694**	**−29,137**
31 December 2014		**72,702**	**−112**	**607,335**	**−103,546**	**−72,235**	**504,144**
1 January 2015		**72,702**	**−112**	**607,335**	**−103,546**	**−72,235**	**504,144**
Comprehensive income							
Net result for the period						50,049	50,049
Other comprehensive income							
Remeasurements of post employment benefit obligations						249	249
Cash flow hedges	**12**		112				112
Total other comprehensive income, net of tax			112			249	361
Total comprehensive income		**0**	**112**	**0**	**0**	**50,298**	**50,410**
Transactions with owners							
Share issue					158	−158	0
Share-based payments	**24**					407	407
Dividends relating to 2014	**23**					−30,041	−30,041
Total contribution by and distributions to owners				0	158	−29,792	−29,634
31 December 2015		**72,702**	**0**	**607,335**	**−103,388**	**−51,729**	**524,920**

* Note 34

Notes are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 The Group in brief

DNA Group ("DNA", the "Company") is a national supplier of mobile communication services. The parent company of DNA Group is DNA Ltd domiciled in Helsinki, Finland at the registered address Läkkisepäntie 21.

2 Accounting principles

Basis of preparation

These consolidated financial statements comprising of the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of cash flows and consolidated statements of changes in equity for the years ended 31 December 2015, 2014 and 2013 and consolidated statements of financial position as at 31 December 2015, 2014 and 2013 and the related notes (the "Consolidated financial statements") have been prepared solely for the purpose of inclusion in the Offering Circular in connection with the listing of DNA Ltd's shares in the main list of Nasdaq Helsinki and cannot be used for any other purpose. As the Consolidated financial statements have been prepared for the purpose of inclusion in the Offering Circular, no report of the Board of Directors' or standalone financial information for the parent company have been presented herein. These Consolidated financial statements are not the statutory consolidated financial statements of DNA Ltd. The Company's previously published Consolidated financial statements have to some extent been supplemented with regards to accounting principles and some reclassifications which are further presented in this Consolidated financial statements in note 34. The Board of Directors of DNA Ltd has approved these Consolidated financial statements to be published in the Offering Circular in its meeting on 20 October 2016.

The Consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) the IAS and IFRS standards as well as SIC and IFRS interpretations applicable as at 31 December 2015. International Financial Reporting Standards refer to the standards and interpretations applicable by corporations set out by the Finnish Accounting Act and other regulations set out on the basis of this ordinance enforced for application in accordance with the procedure stipulated in the regulation (EC) No 1606/2002 of the European Parliament and of the Council. The notes to the Consolidated financial statements also comply with Finnish accounting and corporate legislation complementing the IFRS standards.

The Consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities at fair value through the income statement. The consolidated financial statements are presented in thousand euros.

New and amended standards adopted by the Group

The Group has adopted the followings standards and amended standards during the financial year commencing 1 January 2015:

IAS 19 *Employee Benefits—Defined Benefit Plans: Employee Contributions* (effective for financial periods beginning on or after 1 July 2014). The amendment clarifies the accounting treatment under IAS 19 in respect of defined benefit plans that involve contributions from employees or third parties towards the cost of benefits. The amendments had no effect on the Group's financial statements.

Annual Improvements to IFRS standards, 2010–2012 and 2011–2013 cycles (mainly effective for financial periods beginning on or after 1 July 2014). The Annual Improvements process collects small and less urgent amendments to the standards and implements them once a year. The amendments had no material effect on the Group's financial statements. Other amendments that came into effect from the beginning of the financial year had no material impact on the Group's financial statements.

Subsidiaries

The Consolidated financial statements comprise the parent company DNA Ltd and all its subsidiaries. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the

2 Accounting principles (Continued)

group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The acquisition method of accounting is applied to business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquirees' net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

All inter-company transactions, receivables, liabilities, unrealised gains and internal profit distribution are eliminated in the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Distribution of profit between parent company shareholders and non-controlling shareholders is presented in the income statement, and non-controlling interest in equity is presented in the balance sheet as a separate component of shareholder's equity. The Group did not have any non-controlling shareholders during the 2013–2015 financial periods.

Associated companies

Associated companies are companies in which the Group has a significant influence. A significant influence is realised if the Group holds more than 20 per cent of the voting rights or otherwise has a significance influence without exercising full control.

Associated companies are consolidated using the equity method. If the Group's share of the associated companies' losses exceeds the carrying amount of the investment, the investment is recognised in the balance sheet at zero value and the portion of the losses exceeding the carrying amount is not consolidated unless the Group has agreed to meet the associated companies' obligations. Unrealised profits between the Group and its associated companies are eliminated to the extent of the Group's share of ownership. The investment in each associated company includes goodwill arising from the acquisition. The Group's share of the associated companies' result for the financial year corresponding the Group's share of ownership is recognised separately below the operating result line. The Group's share of its associates' movements in other comprehensive income is recognised in the Group's other comprehensive income. The Group's associates have not had any such items during the financial years 2013, 2014 and 2015.

Joint arrangements

Joint arrangement refers to an arrangement where two or more entities jointly control an arrangement. Joint arrangements are classified either as a joint venture or a joint operation. A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement, whereas in a joint operation, the Group has rights to the assets, and obligations for the liabilities, relating to the arrangement.

Suomen Yhteisverkko Oy, established during the reporting period 2014 is accounted for in accordance to IFRS 11 as a joint operation. The parties control the arrangement jointly. According to the contractual agreement, all decisions on essential operations of the company require unanimous agreement by both parties. The joint arrangement is classified as a joint operation. The contractual arrangement establishes the owners of Suomen Yhteisverkko Oy rights to the assets and obligations for liabilities, relating to the arrangement, and the parties' rights to the corresponding revenues and obligations for the corresponding

2 Accounting principles (Continued)

expenses. DNA will recognise its share of assets, liabilities, revenues and expenses in its consolidated financial statements.

Segment reporting

The reporting on the operating segments is consistent with the internal reporting to the chief operating decision maker and the DNA's operating segments forms also the reportable segments. The CEO, who is responsible for strategic and operative decisions, has been nominated the chief operating decision maker to make decisions about resources to be allocated to the segments and to assess their performance.

Foreign currency translation

The consolidated financial statements are presented in euro, which is the functional and presentation currency of the Group's parent company.

Foreign currency transactions

Foreign currency transactions are translated into functional currency applying the exchange rates valid on the date of the transaction. Monetary items denominated in foreign currency are translated into functional currency applying the exchange rates quoted on the balance sheet date.

Gains and losses on foreign currency transactions and translation of monetary items are recognised in the income statement. Exchange gains and losses related to business operations are included in other operating income or expenses.

Property, plant and equipment

Items of property, plant and equipment have been carried at their historical cost less accumulated depreciation and impairment.

If an item consists of several components with varying useful lives, each component is treated as a separate asset. In this case, the cost of replacement is capitalised. In other cases, subsequent costs are included in the carrying amount of the asset only when it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost of the item can be measured reliably. Other repair and maintenance costs are recognised against profit or loss as they are incurred.

Depreciation on assets is calculated using the straight-line method over the estimated useful lives. Land is not recognised as a depreciable asset.

The depreciation periods are as follows:

Buildings and constuctions	
Buildings	25 years
Constructions	10–25 years

Machinery and equipment	
Networks	5–15 years
Machinery and equipment	3–15 years

Residual values and useful lives are reviewed at the end of each reporting period and, if appropriate, adjusted to reflect any changes in the expectation of financial benefit.

Depreciation on property, plant and equipment ceases when the asset is classified as held for sale.

Capital gain or loss on the decommissioning and disposal of property, plant and equipment are included in other operating income or other operating expenses.

2 Accounting principles (Continued)

Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in the fair value of the identifiable net assets acquired at the acquisition date. Goodwill arising from business combinations is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is allocated to operating segments for the purpose of impairment testing.

Research and development expenditure

Research expenditure is recognised as an expense in the income statement. Expenditure for the development of new or improved products is capitalised as intangible assets in the balance sheet when the product is technically feasible and commercially viable and it is likely that the future economic benefits attributable to the development expenditure will go to the company Capitalised development expenditure comprises material, work and testing expenses that are directly attributable of completing the product for its intended use. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Intangible assets are amortised from the date they are ready for use. Subsequent the initial recognition, capitalised development expenditure is carried at cost less accumulated amortisation and impairment. Currently the Group has no uncompleted capitalised development expenditure.

Contractual customer base

Contractual customer base acquired in a business combination is recognised at fair value at the acquisition date. The contractual customer base has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer base.

Other intangible assets

Intangible assets are recorded at historical cost in the balance sheet only when it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost can be measured reliably. Intangible assets with finite useful life are recognised as an expense on a straight-line basis in the income statement over their known or foreseeable useful life.

The useful lives of other intangible assets are as follows:

Development costs	3 years
Customer contracts and the related customer relationships	1–20 years
IT software	3–10 years
Brand	10–30 years
Spectrum license	20 years
Other intangible assets	2–10 years

Inventories

Inventories are stated at the lower of cost or probable net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost to sell. Inventories are stated at the weighted average price.

Lease agreements

Group as a lessee

Leases on property, plant and equipment are classified as financial lease agreements if the risks and rewards incidental to ownership are substantially transferred to the Group. Assets acquired through finance lease agreements are recognised in the balance sheet at the lower of the fair value of the leased

2 Accounting principles (Continued)

asset or present value of minimum lease payments. Assets based on finance leases are amortised over their useful life or within the shorter lease term. Payable lease amounts are split between finance expenses and loan repayments over the lease term based on a pattern reflecting a constant periodic interest rate for the remaining debt. Rental obligations are included in interest-bearing liabilities. The Group has used finance lease agreements mainly to lease telecommunication network and IT equipment.

Leases are classified as operating lease agreements if the risks and rewards incidental to ownership are retained by the lessor. Lease amounts paid on the basis of operating leases are recognised as an expense in the income statement over the lease term on a straight-line basis.

Impairment of property, plant and equipment and intangible assets

Goodwill and intangible assets in progress are tested for impairment annually and whenever there is any indication of impairment of an asset. Intangible assets with finite useful lives and tangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent.

Recoverable amount is the higher of the asset's fair value less costs to sell, or the value in use. Value in use refers to the estimated future net cash flows obtainable from the asset or a cash generating unit (CGU), which are discounted to their present value. The discount rate is the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised when the asset's carrying amount exceeds its recoverable amount. An impairment loss is immediately recognised in the income statement. If an impairment loss is recognised for a CGU, the loss is first allocated to reduce goodwill on the CGU and then to reduce other assets of the unit on a pro-rata basis. When an impairment loss is recognised, the useful life of the amortised asset is reassessed. In respect of assets other than goodwill, an impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount for the asset. However, the reversal will not exceed the carrying amount that the asset would have if an impairment loss had not been recognised. An impairment loss for goodwill cannot be reversed.

Employee benefits

Retirement benefit obligations

The Group's employee pension plans are managed by external insurance companies. The TyEL pension insurances managed by the pension insurance companies are treated as defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefit relating to employee service in the current and prior periods. Post-employment plans other than defined contribution plans are defined benefit plans.

Defined benefit plans generally pay an agreed benefit at retirement, determined by a formula based on one or more factors, such as the employee's age at retirement, years of service and compensation earned while in employment.

Net defined benefit plan liability is reported in the balance sheet at present value at the end of the annual reporting period. The fair value of any plan assets is deducted from the present value. The Group's obligations with regard to defined benefit plans are based on unbiased actuarial assumptions using the projected unit credit method. The present value of the obligation is determined by using the market yields of high-quality bonds issued by companies as the discount rate. These bonds are issued in the currency in which the benefits are to be paid and their maturity corresponds in essential aspects to the maturity of the pension obligation being considered.

Gains or losses resulting from actuarial losses or past service costs are recognised in the statement of other comprehensive income when they occur.

2 Accounting principles (Continued)

Past service costs are recognised immediately at fair value through the income statement.

In contribution-based plans, the Group makes payments to publicly or privately managed pension insurances, which are mandatory, contract-based or voluntary. The Group has no other payment obligations apart from these. The payments are recognised as employee expenses when they fall due. Payments made in advance are recognised as assets in the balance sheet to the extent there are economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Share-based payments

DNA Ltd operates equity-settled, share-based reward plans, under which the entity receives services from key employees as consideration for equity instruments of the Group. The compensation is paid either in shares or in cash. The fair value of service given in return for equity instruments is recognised as an expense. For shares, the total amount of expenses is based on the fair value of stock on the date of issue and for compensation paid as cash, on the fair value on the reporting date. The amount recognised as an expense is accrued over the period of time during which all vesting conditions should be met. At the end of each reporting period, the Group revises its estimates of the number of equity instruments expected to vest. Any effect of the adjustments made to the original estimates is recognised in the income statement and correspondingly in shareholders' equity and liabilities.

Any payments received for exercising the subscription right less the related direct transaction costs are recognised in the reserve for invested unrestricted equity.

Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of the expenditure required to settle the obligation. The discount rate used to determine the present value reflects current market assessments of the time value of money at the time of review and the risks involved in the obligation. Where the Group expects some of the obligation to be reimbursed by a third party, the reimbursement is recognised as a separate asset but only when it is virtually certain.

A restructuring provision is recognised if the Group has prepared a detailed restructuring plan and initiated its implementation or notified thereof.

The Group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract. Provisions are not recognised for future operating losses.

A provision for asset retirement obligation is recognised when the Group is under contractual obligation regarding dismantling and demolition of leased equipment and aerial sites, and telephone poles and masts.

Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Income tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. The current income tax charge on taxable income for the year is calculated using the tax rate enacted at the balance sheet date adjusted by any income taxes for prior periods.

Deferred income tax is recognised on temporary differences arising between the carrying amount of assets and liabilities and their tax bases. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting, nor taxable profit or loss. The most significant temporary differences arise from the depreciation of property, plant and equipment and fair value measurement on business combinations, unused tax losses and unused taxable depreciation.

2 Accounting principles (Continued)

Deferred income tax is determined using tax rates enacted by the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

Revenue recognition

The Group's net sales mainly comprise of revenue from the sale of voice, data, TV and operator services; periodical, activation and maintenance charges; and revenue from the sale of equipment. Revenue is measured at the fair value of the consideration received or receivable net of discounts and value added taxes.

Revenue is recognised in the period in which the service has been performed, either based on the actual traffic volume or over the contract term. Revenue from the rendering of services is recognised when it is probable that the economic benefit will flow to the Group, and the revenue and expenses related to the transaction can be reliably measured. Revenue from voice and data services is recognised in accordance with the actual use of the service. Termination revenue from voice and data traffic from other operators is recognised at the time of transit across DNA's network. When end customers are charged for services provided by external content providers, amounts collected on behalf of the service provider are not recognised as revenue.

Subscription fees are recognised as revenue over the subscription period. The sales of pre-paid phone cards, mainly for mobile phones, is deferred and recognised as income based on the actual usage of the cards. Activation and connection fees are recognised at the time of activation of the subscription. Equipment sales are recognised when the delivery has occurred and the risks and rewards incidental to ownership have been transferred to the customer, normally on delivery and following the customer's acceptance.

DNA can bundle services and products to create a single offering. Offerings may include the delivery or execution of a product, service or user right (tie-in deals) and the payment can be issued either as a separate payment or a combination of a separate payment and a continuous payment flow. Equipment is recognised separately from the service, if both items are also sold separately and the ownership of the equipment is transferred to the end user. Equipment and service revenue is recognised in proportion to the fair value of the individual items. If fair value cannot be reliably measured for the delivered items but it can be measured for the undelivered items, a residual method is used. Under the residual method, the value allocated to the delivered items equals the total arrangement value less the aggregate fair value of the undelivered items. DNA has recognised tie-in deals using the residual method. Future revenue from tie-in deals is discounted to the present value and the interest component of future revenue is recognised as finance income.

DNA provides corporate customers with comprehensive functionality service agreements in telecommunications, which may include switchboard services, fixed-line network telephony, mobile telephony, data communication and other customised services. Revenue from functionality services is recognised when the services are rendered over the contract period.

Revenue and expense from construction contracts is recognised using the percentage of completion method. The stage of completion is assessed for each project on the basis of the actual costs incurred for work performed as a proportion of the estimated total cost for the project. When it is probable that the total cost of the project will exceed total project revenue, the expected loss is recognised immediately as an expense. When the outcome of the contract cannot be estimated reliably revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

Interest and dividend

Interest income is recognised using the effective interest method, and dividend income is recognised when the right to receive dividend is established.

2 Accounting principles (Continued)

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Financial assets and liabilities

Financial assets

The Group's financial assets are classified as follows: financial assets at fair value through profit or loss, loans and other receivables, and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired and are classified at initial recognition. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the right to receive cash flows has expired or has been transferred and the group has transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss are financial assets held for trading or financial assets classified to this category at initial recognition. Financial assets at fair value through profit or loss are subsequently carried at fair value and gains and losses arising from changes in the fair value are presented within finance income and finance expenses. In DNA these assets comprise derivatives not designated as hedges.

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading. They are included in receivables in the balance sheet and are classified as current assets if they mature within twelve months. . The assets in this category are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. Trade receivables is the most significant item included in trade and other receivables in the balance sheet.

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. These assets are carried at fair value. They are included in non-current assets, unless the investment matures or management intends to dispose of it within twelve months of the end of the reporting period and they are reported as current assets. The Group's investment equity securities are classified to this category as they are not held for active trading and they are non-current as nature. Changes in the fair value are recognised in the other comprehensive income and presented as the fair value reserve in equity. When the securities are sold or impaired with the recognition of an impairment loss, the accumulated fair value adjustments are removed from the equity and recognised in the income statement. Unquoted equity securities are recognised at cost if their fair value cannot be reliably measured or the market is very inactive.

Cash and cash equivalents comprise cash in hand and deposits held at call with banks with original maturities of three months or less. Bank overdrafts related to the cash pool accounts are included in current borrowings.

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, the resulting impairment loss is recognised through profit or loss. If in a subsequent period, the amount of impairment loss decreases, the reversal of the previously recognised impairment loss on fixed income investments is recognised in the income statement. However, such an impairment loss on equity investments cannot be reversed through profit or loss.

An impairment loss is recognised for accounts receivable when there is objective evidence that the outstanding amounts cannot be collected in full. Among others, a payment delayed for more than 180 days is considered as such objective evidence. The impairment is determined by the difference between the receivable's carrying amount and the present value of estimated future cash flows calculated using the initial effective interest rate. The carrying value of accounts receivable is decreased by using a separate reduction account and the loss is reported in other operating expenses in the income statement. When the impairment loss is ascertained it is removed from the balance sheet through the reduction account. If, in a

2 Accounting principles (Continued)

subsequent period, the amount of the impairment loss decreases, the reversal of the previously recognised impairment loss is recognised by reducing other operating expenses.

Borrowings

Borrowings recognised initially at the fair value of consideration received less transaction costs incurred. Borrowings are subsequently carried at amortised cost using the effective interest method. Borrowings may include both current and non-current borrowings. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment and amortised over the period of the facility to which it relates.

Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group's derivatives are either cash flow hedges or derivatives not fulfilling the hedge accounting criteria.

During the financial period, the Group has been using interest rate swaps to hedge against loan interest rate risk transferring variable rate loans into fixed-rate loans. Hedge accounting under IAS 39 is applied to the interest rate swaps, and at the closing date they met the criteria for being effective. Changes in the fair value of effective derivatives qualifying for cash flow hedges are recognised in the statement of comprehensive income and presented in the hedge fund of shareholders' equity. Accumulated profit or loss from derivatives recognised in the shareholders' equity is carried in the income statement as income or expense in the period in which the hedged item is recognised in the income statement. When a cash flow hedge instrument expires, is sold or fails to qualify for hedge accounting, any profit or loss accumulated from the hedge instrument remains in shareholders' equity until the forecast cash flow from the transaction occurs. However, if the forecast transaction is not expected to continue, any profit or loss accumulated in the shareholders' equity is immediately recognised in the financial items in the income statement. Any possible non-effective share of the hedge relationship is immediately recognised in the financial items of the income statement. Fair values of interest rate swaps are determined using the discounted cash-flow method.

The Group may also have derivatives that fulfil the criteria for hedge instruments set by the Group risk management, but that do not fulfil the criteria for hedge accounting according to IAS 39. These derivatives are classified as assets or liabilities held for trade and presented in non-current assets or liabilities except when maturity is less than 12 months from the balance sheet date. Their realised and non-realised changes in fair value are recognised as finance income or expense in the income statement.

Share capital

Outstanding ordinary shares are presented in share capital.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies. These estimates are based on historical experience and various other assumptions that management believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in all subsequent periods.

Management believes that the following areas comprise the most difficult, subjective or complex judgments it has to make in the preparation of the financial statements. For information on accounting policies

2 Accounting principles (Continued)

applied, see the respective sections of note 2 "Accounting policies" to the Audited consolidated financial statements included elsewhere in this Offering Circular.

Business acquisitions

Net assets acquired through acquisitions are measured at fair value. The consideration exceeding the fair value of assets acquired is recognized as goodwill. The measurement of fair value of the assets is based on estimated market value of similar assets (tangible assets), estimate of expected cash flows (intangible assets such as customer relationships) or estimate of payments required to fulfil an obligation (such as assumed provisions).

Active markets, where fair values for assets and liabilities are available, exist only seldom for the acquired net assets. Therefore the valuation exercise, which is based on repurchase value, expected cash flows or estimated payments, requires management judgement and assumptions. Management believes that the estimates and assumptions used are sufficiently reliable for determining fair values. See note 5 Business combinations.

Valuation of intangible assets and property, plant and equipment

Intangible assets including goodwill represent approximately 40 percent of DNA's total assets in 2015 (41% in 2014 and 38% in 2013) and property, plant and equipment represent approximately 36 percent of DNA's total assets in 2015 (35% in 2014 and 36% in 2013).

Depreciation and amortisation expenses

Depreciation and amortisation expenses are based on management's estimates of residual value, depreciation and amortisation method and the useful life of property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the amortisation or depreciation charges recognised through the income statement. Technological developments are difficult to predict and the Group's views on the trends and pace of development may change over time. Critical estimates in the evaluations of useful lives for tangible and intangible assets include, but are not limited to, licence period and expected developments in technology and markets and in the cash inflows expected to be derived from the use of intangibles such as a brand or customer relationships. The useful lives of property, plant and equipment and intangible assets are reviewed at least annually taking into consideration the factors mentioned above and all other important relevant factors. A change in estimated useful life is a change in accounting estimate, and depreciation and amortisation plans are adjusted prospectively. For additional information on intangible assets as well as property, plant and equipment subject to amortisation and depreciation and their carrying values as of the end of the reporting period, see notes 15 and 16 to the Consolidated financial statements.

Impairment testing

The Group has made significant investments in goodwill and other intangible assets including IT systems, licences, acquired brands and customer relationships as well as in property, plant and equipment comprising mainly mobile and fixed broadband network. Goodwill, intangible assets with indefinite useful life and intangible assets not yet in use are tested for impairment annually or more often if indicators of impairment exist, whereas other assets are tested for impairment when circumstances indicate there may be a potential impairment.

The determination of impairments of goodwill and other intangible assets as well as property, plant and equipment involves the use of estimates that include, but are not limited to, the cause, timing, and amount of the impairment. Impairment is based on a large number of factors, such as changes in current competitive conditions, expectations of growth in the telecommunications industry, increased cost of capital, technological obsolescence, discontinuance of services, current replacement costs, prices paid in comparable transactions, and other changes in circumstances that indicate an impairment exists. The identification of impairment indicators, as well as the estimation of future cash flows and the

2 Accounting principles (Continued)

determination of fair values for assets (or groups of assets) require management to make significant judgments concerning the identification and validation of impairment indicators, expected cash flows, applicable discount rates, useful lives, and residual values. When determining the values in use for the cash generating units, additional planning uncertainties are factored in that reflect the risks of macroeconomic development, which could adversely affect future results of operations. The most significant assumptions in goodwill impairment testing comprise of growth in net sales, development of EBITDA, determination of the discount rate (WACC), and long-term growth rate used after the five-year forecast period. The carrying amount of goodwill at 31 December 2015 was EUR 327.2 million (31 December 2014: EUR 327.2 million and 31 December 2014: EUR 232.3 million). Further details on goodwill impairment testing, including a sensitivity analysis, are included in note 16.

Provisions

Provisions for asset retirement obligations related to equipment facilities, masts and telephone poles in use and onerous contracts by DNA are determined based on the net present value (NPV) of DNA's total estimated dismantling or demolition costs for asset retirement obligations and unavoidable costs for onerous costs. The estimates are based on future estimated level of expenses taking into account the effect of inflation, cost-base development and discounting. Assumptions are also used in assessing the time periods for which the asset retirement costs are incurred. Because actual outflows can differ from estimates due to changes in laws and regulations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take into account of any such changes. The discount rate applied is reviewed monthly.

Provisions recognized for future costs related to asset retirement obligations amounted to EUR 8.6 million at 31 December 2015 (EUR 9.2 million at 31 December 2014 and EUR 6.8 million at 31 December 2013) and for onerous contracts EUR 4.9 million at 31 December 2015 (EUR 11.8 million at 31 December 2014 and EUR 0.8 million at 31 December 2013). See note 26 for more information on provisions.

Revenue recognition

Principal or agent—gross versus net presentation

When DNA acts as a principal, income and payments to suppliers are reported on a gross basis in revenue and operating costs. If the DNA sells goods or services as an agent (mainly value added or content services for mobile services) revenue and payments to suppliers are recorded in revenue on a net basis, representing the margin/commission earned. Whether the Group is considered to be principal or agent in a transaction depends on analysis by management of both the legal form and substance of the agreement between the group and its business partners; such judgments impact the amount of reported revenue and operating expenses but do not impact net income or cash flows. Features indicating that the Group is acting as a principal include: responsibility for providing the goods or services and the group has latitude in establishing prices or provides additional goods and services. Features indicating that the Group is acting as an agent include: it does not have exposure to significant risks and rewards associated with the sale of goods or services or the amount it earns is predetermined, being either a fixed fee per transaction or a stated percentage of the amount billed to the customer.

Correction to prior period

DNA Ltd has identified an error in its new invoicing system during the year 2015 relating returns of customer devices in the Consumer business and their accounting. The identified error did not have an impact on customer invoicing. As a result, DNA's Consumer business' net sales for 2013 and 2014 have been overstated. After the publication of the financial statements of 2014, the company identified an understatement of EUR 1.8 million for the amount of the brand write-off recognised initially in Q3/2014. In addition DNA has reclassified certain items in the consolidated balance sheet and consolidated statements of cash flows to correspond its current presentation format. These errors and reclassifications have been retroactively restated according to the requirements of IAS8 *Accounting Policies, Changes in Accounting Estimates and Errors* (see note 34).

2 Accounting principles (Continued)

New standards and interpretations not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below:

IFRS 15 *Revenue from Contracts with Customers* (which shall be applied for annual reporting periods beginning on or after 1 January 2018). The new standard includes a five-step process which must be applied for contracts with customers before revenue can be recognized. The new standard will replace IAS 18 and IAS 11 standards and the related interpretations.

A new five-step process must be applied for contracts with customers. The steps are the following:

1) identifying the contract
2) identifying the performance obligations
3) determining the transaction price
4) allocation of the transaction price to each performance obligation (to each separate good and service promised to the client) on a relative stand-alone selling price basis
5) recognising the revenue when (or as) the performance obligation is satisfied by transferring the good or service to the client.

Revenue may be recognized over time or at a point in time, and the main criterion is the transfer of control.

The Group has assessed the effects of the standard and has initially identified that changes among others will take place in the following areas:

- Currently DNA applies the residual method for the bundled sale transactions when allocating revenue for the equipment and service components. Under IFRS 15 discounts shall be allocated to the separate performance obligations on the basis of their relative stand-alone selling prices. Residual method can no longer be applied. Therefore the allocation of discounts to the performance obligations changes. A portion of the revenue will be recognized earlier than under current guidance. The change in the allocation method has also an impact on DNA's IT-systems. DNA is currently determining how to practically apply the portfolio method especially for the bundled sale transactions which are typical for the Consumer Business and the accounting treatment of customer loyalty benefits under IFRS 15.
- IFRS 15 includes also more detailed guidance on how to account for contract modifications. The accounting treatment of customer loyalty benefits as well as contract modifications shall change in situations where additional goods or services are offered to the client at the lower than the stand-alone selling price. In that case the modification is treated as a cancellation of the old contract and as establishing a new contract and discounts given on the additional products will be allocated evenly to all of the undelivered goods and services.
- Under the new guidance also the point of recognition for certain revenues and contract costs changes. Under the current guidance activation and connection fees are recognized at the time of activation. Under the new guidance activation and connection fees are recognized during the contract period. IFRS 15 requires that incremental costs of obtaining a contract are capitalized. Sales commissions and fees paid on obtaining a contract will be more widely capitalized compared to current practice. Capitalized incremental costs of obtaining a contract are amortized during the contract period.
- There are also increased disclosure requirements in the new standard.

IFRS 9 Financial Instruments and amendments thereto (effective for financial periods beginning on or after 1 January 2018). The new standard replaces the existing IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 will change the classification and measurement of financial instruments, including a new expected credit loss impairment model. The classification and measurement of financial liabilities largely correspond to the current guidance in IAS 39. For hedging accounting, three hedging calculation

2 Accounting principles (Continued)

types will remain in effect. More risk positions than before can be included in hedge accounting, and the principles regarding hedge accounting have been made more consistent with risk management. The Group is currently assessing the potential effects of the standard.

After long preparation, the IASB has published the final version of the *IFRS 16—Leases* standard on 13 January 2016. The primary objective of the new accounting standard is to make financial reporting more transparent by introducing a single lessee accounting model. The new standard applies to financial periods beginning on or after 1 January 2019. Earlier application is permitted for companies applying *IFRS 15 Revenue from Contracts with Customers.* The Group is currently assessing the potential effects of the standard.

3 Financial risk management

The main objectives of the Group's financing operations are funding, optimising capital expenditure and managing financing risks. Principles of risk managements are defined in the Group treasury policy, approved by the parent company Board of Directors. The policy includes guidelines for raising capital, investing cash surplus and managing finance risk. The Group financing activities are centralised at the parent company treasury department which coordinates and monitors financing in the subsidiaries and reports to the Group management. The Group liquidity is centralised by using Group accounts and pooling systems. The parent company is responsible for investing the surplus liquidity as well as managing the Group's extra funding requirements. Any finance deficit in the subsidiaries will be financed through internal loans within the Group.

The main financial risks in the Group are liquidity, credit and interest rate risk. The objective of the Group financing risk management is to identify and measure the total risk position created by the Group financing operations and to carry out risk management measures to ensure that the total financing risk will not exceed the Group risk-bearing capacity and objectives. The Group's currency risk is insignificant, since its operations are mainly carried out in Finland.

Liquidity risk

Liquidity risk refers to situations where the Group's financial assets and extra funding opportunities fall short of the Group's requirements or the cost of raising liquid assets is higher than the market cost. Creating cash flow forecasts and determining any related uncertainties are the key measures to manage liquidity risk. At the end of 2015, the Group had a strong liquidity position with cash and cash equivalents of EUR 25.3 million (2014 10.6 EUR million, 2013 EUR 27.1 million), and borrowings (non-current and current) of EUR 437.5 million (2014 EUR 490.0 million, 2013 EUR 353.7 million). In addition to cash and bank deposits, the Group had unused credit facilities and other committed credit facilities of EUR 165.0 million (2014 EUR 215.0 million, 2013 EUR 215.0 million). In addition, the company has a commercial paper programme of EUR 150.0 million (2014 EUR 150.0 million, 2013 150.0 million), under which EUR 40.0 million (2014 EUR 115.0 million, 2013 EUR 75.0 million) was drawn by the end of December. The unused credit facilities totalled EUR 275.0 million (2014 EUR 250.0 million, 2013 EUR 290.0 million). The Group's cash and bank deposits and undrawn committed credit facilities amounted to EUR 190.3 million (2014 EUR 225.6 million, 2013 EUR 242.1 million). In October 2015, DNA replaced its EUR 200 million revolving credit facility with a new EUR 150 million revolving credit facility and drew a new five-year EUR 100 million loan. Both were signed with a group of Nordic banks. The new loan facility was allocated to pay back an existing bank loan and commercial papers. The term of the revolving credit facility is 5+1+1 years, i.e. at the end of the first and second year the facility can be extended by one year at the banks' discretion. Planned repayments in 2016 total EUR 35 million without the commercial paper programmes.

3 Financial risk management (Continued)

Debt maturity analysis

2015 EUR in thousands	Less than 1 year Interest payment	Less than 1 year Repayment	1–5 years Interest payment	1–5 years Repayment	Over 5 years Interest payment	Over 5 years Repayment	Total Interest payment	Total Repayment	Total Cash flow
Borrowings (excl. finance lease liabilities)	8,304	75,143	24,550	214,286	4,313	150,000	37,167	439,429	**476,596**
Finance lease liabilities	23	168	45	583	0	0	68	751	**819**
Trade payables	0	85,402	0	0	0	0	0	85,402	**85,402**

2014 EUR in thousands	Less than 1 year Interest payment	Less than 1 year Repayment	1–5 years Interest payment	1–5 years Repayment	Over 5 years Interest payment	Over 5 years Repayment	Total Interest payment	Total Repayment	Total Cash flow
Borrowings (excl. finance lease liabilities)	6,205	161,919	26,586	179,139	8,625	150,000	41,416	491,058	**532,475**
Finance lease liabilities	49	1,129	64	627	4	92	117	1,848	**1,965**
Trade payables	0	71,100	0	0	0	0	0	71,100	**71,100**

2013 EUR in thousands	Less than 1 year Interest payment	Less than 1 year Repayment	1–5 years Interest payment	1–5 years Repayment	Over 5 years Interest payment	Over 5 years Repayment	Total Interest payment	Total Repayment	Total Cash flow
Borrowings (excl. finance lease liabilities)	5,853	126,384	14,037	222,645	12	3,810	19,902	352,839	**372,741**
Finance lease liabilities	94	1,619	104	1,558	13	222	211	3,399	**3,610**
Trade payables	0	50,456	0	0	0	0	0	50,456	**50,456**

The following year's repayments are included in current liabilities. At balance sheet date, the average rate of variable rate loans was 0.9 per cent (2014 1.1 per cent, 2013 1.5 per cent) and variable rate loans constituted 43 per cent (2014 48 per cent, 2013 68 per cent) of the Group's borrowings. Borrowings from financial institutions have variable rates and bonds have fixed rates. The coupon rate of the bond maturing in November 2018 is 2.625 per cent and the coupon rate for the bond maturing in March 2021 is 2.875 per cent.

Credit risk

The Group has a large number of customers and the individual receivable amounts are small, and as such there are no major individual risks. New customers are subjected to credit check as part of the ordering process, and if any existing customers are found to have credit problems, unsecured new sales are not made. In 2015, the impairment loss of trade receivables totalled EUR 3.0 million (2014 EUR 3.6 million, 2013 EUR 8.9 million).The maximum exposure to credit risk at the reporting date is the carrying value of financial assets. Customer with weaker solvency are required to pay the basic charges in advance as a deposit. Counterparty risk refers to a situation where the other party fails to meet its obligations under the financing agreement. To restrict and monitor the counterparty risk, investments and derivative instruments are managed by counterparty, financial instrument and maturity limits. Counterparty risk mainly relates to the cash and cash equivalents of the company. DNA is not subject to any significant counterparty risk since cash and cash equivalents are distributed to several financial institutions with good credit ratings.

3 Financial risk management (Continued)

The age distribution of outstanding trade receivables is shown in the following table.

EUR in thousands	2015	2014 (restated*)	2013 (restated*)
Undue trade receivables	141,525	146,953	132,028
Trade receivables 1–45 days overdue	12,619	9,609	11,015
Trade receivables 46–90 days overdue	1,130	502	623
Trade receivables 91–180 days overdue	904	974	891
Trade receivables more than 180 days overdue	1,727	2,628	2,180
Total	**157,905**	**160,667**	**146,737**

* Note 34

Interest rate risk

The Group's interest rate risk primarily comprises interest rate sensitivity of financial items, referring to the direct effect of changes in the interest rate level on financial items, mainly borrowings, and historically also derivative instruments. DNA's interest rate risk arises from borrowings that are issued at floating rates and expose DNA to cash flow interest rate risk which has in the past been partially offset by hedging with interest-rate swaps. At 31 December 2015, DNA did not hedge any of its borrowings. At the end of 2014 6 per cent and 2013 28 per cent of variable-rate loans were hedged. At the end of 2015, the Group had no interest rate derivatives (2014 EUR 14 million, 2013 EUR 68 million). Borrowings issued at fixed rates, mainly the fixed rate bonds, expose the Group to fair value interest rate risk. As at 31 December 2015, 57 per cent of DNA's borrowings were fixed rate (2014 52 per cent and 2013 32 per cent).

If interest rates had been one percentage point higher, with all other variables held constant, the calculated post-tax result would have been EUR −1.3 million (2014 EUR −1.7 million, 2013 EUR −1.2 million) lower and, with the corresponding decrease in interest rates, the calculated post-tax result would have been EUR 1.3 million (2014 EUR +1.7 million, 2013 EUR +1.2 million) higher. The sensitivity analysis covers the Group's variable-rate loans, cash and cash equivalents.

If interest rates had been one percentage point higher/lower, all other variables held constant, other components of equity would have been EUR 0.0 million (2014 EUR 0.1 million, 2013 EUR 0,2 million) lower/ EUR 0.0 million (2014 EUR 0.1 million, 2013 EUR 0,2 million) higher as a result of a change in the fair value of interest rate swaps used for cash flow hedging purposes. There was no impact at the end of 2015, because the company had no interest rate swaps outstanding.

Capital management

The objective of the Group's capital management is to support the business operations by optimising the capital structure, as well as increasing shareholder value by maximising return on equity. The capital structure can be influenced for example through dividend distribution, repayment of capital and planning the cash outflows for investments. The Group management monitors the development of the capital structure for example on the basis of the gearing and equity ratios as well as the net debt to EBITDA ratio. The Group's credit facility agreements include financial covenants requiring an equity ratio of at least 35 per cent and net debt to EBITDA ratio below 3.50:1. These conditions have been met during the financial periods. The equity ratio on the balance sheet date was 44.1 per cent (2014 41.4 per cent, 2013 49.4 per cent) and net debt to EBITDA ratio was 1.81:1 (2014 2.37:1, 2013 1.71:1).

3 Financial risk management (Continued)

Financial instruments by class

2015 EUR in thousands	Loans and other receivables	Derivatives used for hedging	Available for sale	Total
Assets				
Available-for-sale financial assets			215	**215**
Derivative financial instruments				**0**
Trade and other receivables excluding prepayments(1)	202,355			**202,355**
Cash and cash equivalents	25,266			**25,266**
Total	**227,621**	**0**	**215**	**227,836**

EUR in thousands	Derivatives used for hedging	Financial liabilities recognised at amortised cost	Total
Financial liabilities			
Borrowings (excluding finance lease liabilities)(2)		436,793	**436,793**
Finance lease liabilities(2)		751	**751**
Trade and other payables excluding items outside financial liabilities(3)		209,772	**209,772**
Total	**0**	**647,316**	**647,316**

2014 Restated* EUR in thousands	Loans and other receivables	Derivatives used for hedging	Available for sale	Total
Assets				
Available-for-sale financial assets			215	**215**
Derivative financial instruments		0		**0**
Trade and other receivables excluding prepayments(1)	209,587			**209,587**
Cash and cash equivalents	10,599			**10,599**
Total	**220,186**	**0**	**215**	**220,401**

EUR in thousands	Derivatives used for hedging	Financial liabilities recognised at amortised cost	Total
Financial liabilities			
Borrowings (excluding finance lease liabilities)(2)		488,186	**488,186**
Finance lease liabilities(2)		1,848	**1,848**
Derivative financial instruments	150		**150**
Trade and other payables excluding items outside financial liabilities(3)		189,640	**189,640**
Total	**150**	**679,674**	**679,824**

3 Financial risk management (Continued)

2013 Restated* EUR in thousands	Loans and other receivables	Derivatives used for hedging	Available for sale	Total
Assets				
Available-for-sale financial assets			215	**215**
Derivative financial instruments		0		**0**
Trade and other receivables excluding prepayments[1]	189,126			**189,126**
Cash and cash equivalents	27,055			**27,055**
Total	**216,181**	**0**	**215**	**216,396**

EUR in thousands	Derivatives used for hedging	Financial liabilities recognised at amortised cost	Total
Financial liabilities			
Borrowings (excluding finance lease liabilities)[2]		350,325	**350,325**
Finance lease liabilities[2]		3,399	**3,399**
Derivative financial instruments	476		**476**
Trade and other payables excluding items outside financial liabilities[3]		154,551	**154,551**
Total	**476**	**508,275**	**508,751**

* Note 34

(1) Prepayments are excluded from trade and other receivables as they do not represent financial instruments.

(2) The classification in this note is based on IAS 39. Financial lease liabilities are mainly outside the scope of IAS 39, but fall under application of IFRS 7. This is why financial lease liabilities are presented separately.

(3) Trade and other payables do not include items other than financial liabilities because this analysis is only required for financial instruments.

4 Segment information

The Group's operations are managed and reported according to the following business segments:

DNA's Consumer segment offers consumers diverse telecommunication services such as communication, information, safety and entertainment, including mobile phones and mobile phone subscriptions, broadband (mobile and fixed), data security services, TV services from connections to channel packages as well fixed telephone connections.

DNA's Corporate segment offers companies and communities nationwide, standardised and easy-to-use communication and data network solutions, including SMS, telecommunication and voice services, comprehensive solutions as well as services to domestic and international teleoperators.

The primary key indicators for the segments' result monitoring comprise net sales, EBITDA and operating result. Items not allocated to segments include finance items, share of associates' results and income tax expense.

The DNA Group operates in Finland, domestic operations accounting for a majority of its net sales. In 2015, foreign operations accounted for EUR 16.8 million (2014 EUR 15.1 million 2013 EUR 16.3 million) of the Group's net sales.

4 Segment information (Continued)

As the products and services of the Group's extensive portfolio are targeted at the mass market, the Group is not dependent on any single customer.

	1 Jan–31 Dec 2015			
EUR in thousands	**Consumer segment**	**Corporate segment**	**Un-allocated**	**Group total**
Business segments				
Net sales	**596,250**	**232,550**		**828,800**
EBITDA	**154,577**	**73,137**		**227,714**
Depreciation, amortisation and impairments	98,565	56,057		154,622
Operating result, EBIT	**56,012**	**17,081**		**73,093**
Net finance items			−11,514	−11,514
Share of associates' results			14	14
Result before income tax				61,593
Net result for the period				**50,049**
Capital expenditure*	101,466	48,171	5,028	154,664
Employees at end of year	1,000	672		1,672

	1 Jan–31 Dec 2014 (Restated**)			
EUR in thousands	**Consumer segment**	**Corporate segment**	**Un-allocated**	**Group total**
Business segments				
Net sales	**620,372**	**211,168**		**831,541**
EBITDA	**141,339**	**60,888**		**202,227**
Depreciation, amortisation and impairments	118,366	58,260		176,626
Operating result, EBIT	**22,974**	**2,628**		**25,601**
Net finance items			−10,451	−10,451
Share of associates' results			17	17
Result before income tax				15,168
Net result for the period				**12,397**
Capital expenditure*	98,748	46,053	4,752	149,553
Employees at end of year	1,039	709		1,748

4 Segment information (Continued)

EUR in thousands	1 Jan–31 Dec 2013 (Restated**) Consumer segment	Corporate segment	Un-allocated	Group total
Business segments				
Net sales	**592,089**	**173,003**		**765,092**
EBITDA	**131,920**	**57,486**		**189,406**
Depreciation, amortisation and impairments	97,524	49,571		147,094
Operating result, EBIT	**34,397**	**7,915**		**42,312**
Net finance items			−5,965	−5,965
Share of associates' results			−33	−33
Result before income tax				36,314
Net result for the period				**27,913**
Capital expenditure*	91,151	34,988	2,276	128,415
Employees at end of year	1,104	459		1,563

* Capital expenditure comprise additions to intangible and tangible assets, excluding business combinations, spectrum license acquisition and additions relating to finance lease agreements and decommissioning obligations. Additionally, capital expenditure includes spectrum license payments made during the reporting period. Unallocated capital expenditure comprise sales commissions.

** Note 34

The primary key indicators for the segments' profit and loss monitoring comprise net sales, EBITDA and operating result. The company believes that the EBITDA measure provides meaningful supplemental information to the company management and the readers of its financial statements by excluding items that may not be indicative of the company's operating result or cash flows.

EBITDA is not prepared in accordance with IFRS and is therefore considered a non-IFRS financial measure, which should not be viewed in isolation or as a substitute to the equivalent IFRS financial measures. EBITDA should not be considered as an alternative to (a) operating result or net result for the period as a measure of operating performance, (b) cash flows from operating, investing or financing activities as a measure of the company's ability to meet its cash needs or (c) any other IFRS financial measures, or as a measure of performance or liquidity.

5 Business combinations

2015

There were no business combinations during the financial period.

2014

DNA Ltd acquired 100 per cent of the share capital of TDC Ltd Finland and TDC Hosting Ltd on 4 June 2014. TDC is a leading provider of corporate data networks in the Nordic countries especially for large and medium-sized enterprises. The purchase price was paid in cash. The transferred assets and liabilities have

5 Business combinations (Continued)

been measured at fair value at the acquisition date. Goodwill consists of synergy benefits, the expertise of the personnel of the acquired company and future customer potential.

EUR in thousands	Fair value at acquisition date
Intangible assets	40,738
Property, plant and equipment	35,211
Deferred tax asset	13,616
Inventory	99
Trade and other receivables	20,482
Cash and cash equivalents	12,677
Total assets	**122,823**
Deferred tax liabilities	8,148
Other non-current liabilities	3,691
Provisions	12,620
Trade and other liabilities	25,543
Total liabilities	**50,002**
Net assets acquired	**72,821**
Total purchase consideration	167,710
Goodwill	94,889

Acquisition related costs of EUR 3.3 million have been recorded as other operating expenses.

The acquired subsidiary's net sales for 1 January to 31 May 2014 amounted to EUR 37.2 million and result to EUR 0.8 million. If the acquisition had occurred on 1 January 2014, Group net sales would have been EUR 870.7 million and the Group result would have been EUR 16.1 million.

2013

On 6 September 2013, DNA Ltd acquired 100 per cent of the share capital of Digi Plus TV Oy. PlusTV, officially Digi TV Plus Oy, has provided terrestrial network pay-TV services to Finnish households since 2006. The consideration was paid in cash. The transferred assets and liabilities have been recognised at their fair value at the acquisition date. The goodwill recognised is attributable to expected synergy benefits, the knowledge of the personnel transferred as well as future customer potential acquired through the Plus-TV trademark.

Acquisition-related costs of EUR 1.3 million have been recorded as other operating expenses. The acquired company's recorded net sales for 1 January to 31 December 2013 totalled EUR 60.8 million and net result was EUR 12.5 million. Had Plus-TV been consolidated from 1 January 2013, the consolidated income statement for the twelve months ended on 31 December 2013 would show net sales of

5 Business combinations (Continued)

EUR 807.5 million and net result of EUR 28.7 million. Net sales after the acquisition totalled EUR 19.7 million.

EUR in thousands	Fair value at acquisition date
Intangible assets	21,409
Property, plant and equipment	25
Deferred tax asset	22,531
Trade and other receivables	2,015
Cash and cash equivalents	6,302
Total assets	**52,282**
Deferred tax liabilities	4,817
Trade and other liabilities	12,312
Total liabilities	**17,129**
Net assets acquired	**35,153**
Total purchase consideration	46,391
Goodwill	11,238

6 Net sales

EUR in thousands	2015	2014 (Restated*)	2013 (Restated*)
Sale of goods	98,690	111,996	112,816
Revenue from services	730,110	717,649	651,691
Revenue from construction contracts	0	1,896	585
Total	**828,800**	**831,541**	**765,092**

* Note 34

At the end of 2015, the aggregate costs incurred and recognised profits from construction contracts in progress (less recognised losses) totalled EUR 1.6 million (2014 EUR 3.3 million, 2013 EUR 1.4 million). Advance payments in relation to construction contracts were EUR 0.1 million (2014 EUR 0.2 million, 2013 EUR 0.0 million) at the end of 2015.

7 Other operating income

EUR in thousands	2015	2014	2013
Net gain on sale of non-current assets	1,215	131	320
Rental income	2,168	585	689
Other income	900	1,121	1,395
Total	**4,283**	**1,837**	**2,404**

8 Other operating expenses

EUR in thousands	2015	2014	2013
Maintenance expenses	39,648	34,286	31,974
Rental expenses	40,147	41,368	38,438
External services	4,572	4,329	8,017
Other expenses	39,144	42,858	44,016
Total	**123,510**	**122,840**	**122,445**

8 Other operating expenses (Continued)

EUR in thousands	2015	2014	2013
Auditor fees			
PricewaterhouseCoopers Oy			
Audit fees	222	257	254
Actions referred to in Section 1.1.2 of the Finnish Auditing Act	6	6	6
Tax services	90	40	85
Other services	183	152	1,126
Total	**501**	**455**	**1,471**

In 2013, other services comprise expenses incurred relating to a study on strategic alternatives to grow the shareholder base.

9 Depreciation, amortisation and impairment

EUR in thousands	2015	2014 (Restated*)	2013
Depreciation and amortisation charges per category			
Intangible assets			
Customer base	10,657	9,434	8,480
Brand	949	949	1,759
Other intangible assets	31,065	34,030	26,951
Total	**42,671**	**44,413**	**37,189**
Property, plant and equipment			
Buildings and constructions	2,341	2,246	2,100
Machinery and equipment	109,610	108,614	107,806
Total	**111,951**	**110,860**	**109,905**
Impairment charges per category:			
Intangible assets			
Brand	0	12,490	0
Other intangible assets	0	8,862	0
Total	**0**	**21,352**	**0**
Total depreciation, amortisation and impairment	**154,622**	**176,626**	**147,094**

* Note 34

The impairment charges recognised in 2014 mostly relate to the write-down of the discontinued PlusTV brand (EUR 12.5 million). The impairment charges for other intangible assets, EUR 8.9 million, is related to write-downs of the old informations sytems in connection with information systems upgrade.

10 Employment benefit expenses

EUR in thousands	2015	2014	2013
Wages and salaries	85,473	81,694	69,386
Pension expenses—defined contribution plan	15,897	14,577	12,217
Pension expenses—defined benefit plan	90	114	−203
Share-based payments	890	286	141
Other personnel expenses	4,500	4,314	3,886
Total	**106,850**	**100,985**	**85,427**
Number of personnel, average			
Consumer business	1,020	1,073	1,052
Corporate business	690	584	454
Total	**1,710**	**1,657**	**1,506**

Key management compensations are presented in note 33 Related party transactions.

11 Finance income

EUR in thousands	2015	2014	2013
Interest income from receivables	984	889	1,208
Dividend income on available-for-sale investments	2	2	2
Total	**986**	**891**	**1,210**

12 Finance expense

EUR in thousands	2015	2014	2013
Fair value changes of derivatives, hedge accounting not applied	0	−150	−107
Interest expense on interest-bearing liabilities	12,499	11,492	7,282
Total	**12,499**	**11,342**	**7,175**

Other comprehensive income

The items related to financial instruments reported through other comprehensive income as well as adjustments relating to the reclassification is presented below:

	2015			
	Transferred to result before tax	Change in fair value	Tax effect	Other comprehensive income, net of tax
Cash flow hedges	155	−14	−28	112
Total	**155**	**−14**	**−28**	**112**

	2014			
	Transferred to result before tax	Change in fair value	Tax effect	Other comprehensive income, net of tax
Cash flow hedges	376	−82	−115	179
Total	**376**	**−82**	**−115**	**179**

	2013			
	Transferred to result before tax	Change in fair value	Tax effect	Other comprehensive income, net of tax
Cash flow hedges	754	54	−162	647
Total	**754**	**54**	**−162**	**647**

13 Income tax expense

EUR in thousands	2015	2014 (Restated*)	2013 (Restated*)
Income tax, current year	−3,522	−3,053	−14,285
Income tax, previous years	0	0	43
Change in deferred tax	−8,022	281	5,841
Total	**−11,544**	**−2,771**	**−8,401**

13 Income tax expense (Continued)

Reconciliation of the income tax expense and the taxes calculated at the Finnish tax rate:

Net result before tax	61,593	15,168	36,314
Income tax at Finnish tax rate (2015 20 per cent, 2014 20 per cent, 2013 24.5 per cent)	−12,319	−3,034	−8,897
Tax effects of:			
Income not subject to tax	447	594	49
Non-deductible expenses	−71	−389	−735
Utilisation of previously unrecognised tax losses	361	5	0
Income taxes from previous years	0	0	43
Tax losses of which no deferred income tax asset was recognised	0	−1	−411
Different tax rate of subsidiary	−6	0	−8
Share of associates' results net of tax	3	3	−8
Re-measurement of deferred tax—change in tax rate	0	0	1,566
Additional deductible expenses	42	50	0
Tax charge	**−11,544**	**−2,771**	**−8,401**

* Note 34

The Finnish tax rate changed from 24.5 per cent in 2013 to 20.0 per cent in 2014.

14 Earnings per share

Basic earnings per share is calculated by dividing the net result attributable to owners of the parent for the financial period, by the weighted average number of outstanding shares during the financial period. Earnings per share adjusted for dilution effect is calculated by including the potential dilution effect of the option scheme and the share-based reward plan.

	2015	2014 (Restated*)	2013 (Restated*)
Net result attributable to owners of the parent, (EUR 1,000)	50,049	12,397	27,913
Weighted average number of shares (thousands)	8,487	8,479	8,479
Basic earnings per share (EUR/share)	5.90	1.46	3.29
Earnings per share adjusted for dilution effect (EUR/share)	5.90	1.46	3.29

* Note 34

During 2013–2015, the company has had two reward plans with potential dilution effects: the option scheme and the share-based reward plan. There were no dilutions effects during 2013–2015 as the conditions of the reward plans were not met.

15 Property, plant and equipment

EUR in thousands	Land and water	Buildings and constructions	Machinery and equipment	Other property, plant and equipment	Prepayments and non-current assets under construction*	Total
1 January 2013						
Cost	509	31,570	956,606	873	36,611	1 026,169
Accumulated depreciation		−10,931	−609,711			−62,642
Net book amount	**509**	**20,640**	**346,895**	**873**	**36,611**	**405,526**
Year ended 31 December 2013						
Opening net book amount	509	20,640	346,895	873	36,611	405,526
Additions and transfers	21	935	98,783		−3,523	96,216
Business combinations			24			24
Disposals		−28	−195			−223
Accumulated depreciation relating to disposals		15	647			662
Depreciation charge		−2,100	−107,806			−109,906
Closing book amount	**530**	**19,461**	**338,349**	**873**	**33,088**	**392,299**
31 December 2013						
Cost	530	32,477	1,055,464	873	33,088	1,122,431
Accumulated depreciation		−13,016	−717,115			−730,131
Net book amount	**530**	**19,461**	**338,349**	**873**	**33,088**	**392,299**
Year ended 31 December 2014						
Opening net book amount	530	19,461	338,349	873	33,088	392,299
Additions and transfers		1,654	101,644		12,597	115,896
Business combinations	187	900	34,075			35,162
Disposals			−191			−191
Accumulated depreciation relating to disposals			108			108
Depreciation charge		−2,246	−108,614			−110,860
Closing net book amount	**717**	**19,769**	**365,371**	**873**	**45,685**	**432,414**
31 December 2014						
Cost	717	35,031	1 190,992	873	45,685	1 273,298
Accumulated depreciation		−15,262	−825,621			−840,883
Net book amount	**717**	**19,769**	**365,371**	**873**	**45,685**	**432,414**
Year ended 31 December 2015						
Opening net book amount	717	19,769	365,371	873	45,685	432,414
Additions and transfers		1,950	68,687		52,733	123,370
Disposals			−2,661		0	−2,661
Accumulated depreciation relating to disposals			2,705			2,705
Depreciation charge		−2,341	−109,610			−111,951
Closing net book amount	**717**	**19,378**	**324,491**	**873**	**98,418**	**443,877**
31 December 2015						
Cost	717	36,981	1 257,017	873	98,418	1 394,007
Accumulated depreciation		−17,603	−932,526			−950,130
Net book amount	**717**	**19,378**	**324,491**	**873**	**98,418**	**443,877**

* Prepayments and non-current assets under construction associated with both property, plant and equipment as well as intangible assets.

15 Property, plant and equipment (Continued)

Property, plant and equipment includes assets acquired through finance lease agreement as follows:

EUR in thousands	2015	2014	2013
Property, plant and equipment			
Cost—capitalised finance leases	85,470	85,470	85,470
Accumulated depreciation	85,469	85,013	83,942
Net book amount	**1**	**457**	**1,528**

16 Intangible assets and impairment testing

EUR in thousands	Goodwill	Customer base	Brand	Other intangible assets	Total other intangible assets
1 January 2013					
Cost	325,559	82,913	28,982	240,573	352,468
Accumulated amortisation and impairment	−104,479	−31,479	−2,449	−186,422	−220,350
Net book amount	**221,080**	**51,434**	**26,533**	**54,151**	**132,118**
Year ended 31 December 2013					
Opening net book amount	221,080	51,434	26,533	54,151	132,118
Additions				57,619	57,619
Business combination	11,238	6,824	12,837	1,748	21,409
Disposals				−121	−121
Accumulated amortisation relating to disposals				88	88
Amortisation charge		−8,480	−1,759	−26,951	−37,190
Closing net book amount	**232,318**	**49,779**	**37,610**	**86,534**	**173,925**
31 December 2013					
Cost	336,797	89,737	41,819	299,819	431,375
Accumulated amortisation and impairment	−104,479	−39,958	−4,208	−213,285	−257,451
Net book amount	**232,318**	**49,779**	**37,610**	**86,534**	**173,925**
Year ended 31 December 2014					
Opening net book amount	232,318	49,779	37,610	86,534	173,925
Additions				27,970	27,970
Business combination	94,888	40,738			40,738
Disposals				−29	−29
Accumulated amortisation relating to disposals				29	29
Amortisation charge		−9,434	−949	−34,030	−44,413
Impairment			−12,490	−8,862	−21,352
Closing net book amount	**327,206**	**81,083**	**24,171**	**71,612**	**176,867**
31 December 2014 Restated*					
Cost	431,685	130,475	41,819	327,760	500,054
Accumulated amortisation and impairment	−104,479	−49,392	−17,647	−256,148	−323,187
Net book amount	**327,206**	**81,083**	**24,171**	**71,612**	**176,867**
Year ended 31 December 2015					
Opening net book amount	327,206	81,083	24,171	71,612	176,867
Additions				24,680	24,680
Disposals				−729	−729
Accumulated amortisation relating to disposals				282	282
Amortisation charge		−10,657	−949	−31,065	−42,671
Closing net book amount	**327,206**	**70,426**	**23,223**	**64,780**	**158,429**
31 December 2015					
Cost	431,685	130,475	41,819	351,711	524,005
Accumulated amortisation and impairment	−104,479	−60,049	−18,596	−286,931	−365,576
Net book amount	**327,206**	**70,426**	**23,223**	**64,780**	**158,429**

* Note 34

16 Intangible assets and impairment testing (Continued)

The impairment charges recognised in September 2014 mostly relate to the write-down of the discontinued PlusTV brand (EUR 12.5 million). The impairment charges for other intangible assets, EUR 8.9 million, is related to write-downs of the old informations systems in connection with an information systems upgrade.The other intangible assets item comprises mainly undepreciated balance of capitalised software and capitalised spectrum licence.

Goodwill allocation

Goodwill is allocated to DNA's cash-generating units as follows:

EUR in thousands	2015	2014	2013
Consumer segment	180,723	180,723	180,723
Corporate segment	146,483	146,483	51,595
Total	**327,206**	**327,206**	**232,318**

Impairment testing

In order to carry out impairment testing, goodwill is allocated to cash-generating units (CGUs) in accordance with DNA's business organisation. The balance sheet values of all CGUs are subjected to an annual impairment testing. Apart from goodwill, the Group does not have any other intangible assets with an unlimited useful life. The recoverable amount (the higher of an asset's fair value less costs to sell and its value in use) of each CGU is defined as the value in use according to the projected discounted cash flows (the DCF method). Cash flow projections are based on the plans approved by management, covering a five-year period. Management considers the projections to reflect development to date and other information available from external sources. The (before tax) discount rate (weighted average cost of capital, WACC) used in testing represents 10.1–10.2 per cent depending on the segment.

The growth rate forecasted after five years was assumed to be 2.0 per cent.

The impairment test indicated that the recoverable amounts of the CGUs exceeded their balance sheet values and their goodwill have not been impaired. The assumptions used are based on management's best judgement based on the information available at the publication of the financial statements.

The key assumptions used were growth in net sales, development of profitability, weighted average cost of capital (WACC) as well as the cash flow growth rate after the five-year forecast period. The major sensitivities in the result are associated with the forecasted net sales and levels of profitability.

A risk premium was added to the WACC due to uncertain and changing market conditions.

Applied parameters used inimpairment testing and sensitivity analysis

Applied parameters 2015

Applied forecast parameters	Consumer segment 2015	Corporate segment 2015
Average growth in net sales, %*	1.3	2.0
Average operating margin, % *	28.2	35.5
Average investment, % of net sales*	13.1	19.1
Growth after the forecast period, %	2.0	2.0
WACC, %	10.2	10.1
Amount of headroom, EUR million	571	172

* Five-year forecast period average

16 Intangible assets and impairment testing (Continued)

The table below illustrates the change in percentage points for the key forecacast parameters before the fair value falls below the carrying value (and other parameters remaining unchanged).

Sensitivity analysis of forecast parameters	Consumer segment 2015	Corporate segment 2015
Average EBITDA, % of net sales	−4.6	−3.4
WACC, %	8.4	3.6

Applied parameters 2014

	Consumer segment 2014	Corporate segment 2014
Average growth in net sales, %*	0.3	5.7
Average operating margin, % *	26.7	32.8
Average investment, % of net sales*	13.8	18.0
Growth after the forecast period, %	2.0	2.0
WACC, %	10.6	10.4
Amount of headroom, EUR million	451	106

* Five-year forecast period average

The table below illustrates the change in percentage points for the key forecacast parameters before the fair value falls below the carrying value (and other parameters remaining unchanged).

Sensitivity analysis of forecast parameters	Consumer segment 2014	Corporate segment 2014
Average EBITDA, % of net sales	−3.8	−2.0
WACC, %	6.6	2.3

Applied parameters 2013

Applied forecast parameters	Consumer segment 2013	Corporate segment 2013
Average growth in net sales, %*	3.4	6.6
Average operating margin, % *	22.8	35.9
Average investment, % of net sales *	12.4	18.1
Growth after the forecast period, %	2.0	2.0
WACC, %	12.1	13.2
Amount of headroom, EUR million	98	170

* Five-year forecast period average

The table below illustrates the change in percentage points for the key forecacast parameters before the fair value falls below the carrying value (and other parameters remaining unchanged).

Sensitivity analysis of forecast parameters	Consumer segment 2013	Corporate segment 2013
Average EBITDA, % of net sales	−0.9	−5.3
WACC, %	1.6	8.8

17 Investments in associates

EUR in thousands	2015	2014	2013
1 January	2,155	2,142	1,784
Share of the result for the financial period	10	17	−33
Additions	0	0	407
Decreases	−980	−4	−16
31 December	**1,186**	**2,155**	**2,142**

There was no goodwill related to the carrying value of associated companies in 2015, 2014 and 2013.

Financial information on the Group's associates, including assets, liabilities, net sales as well as the Group's share of the results.

2015 EUR in thousands	Domicile	Assets	Liabilities	Net sales	Share of result	Group holding
Suomen Numerot Numpac Oy	Helsinki	718	251	1,568	10	33%
Kiinteistö Oy Otavankatu 3	Pori	2,962	396	304	0	36%
Kiinteistö Oy Siilinjärven Toritie	Siilinjärvi	333	3	35	0	38%

2014 EUR in thousands	Domicile	Assets	Liabilities	Net sales	Share of result	Group holding
Suomen Numerot Numpac Oy	Helsinki	793	355	1,514	10	33%
Booxmedia Oy*	Helsinki	863	120	1,349	−174	27%
Kiinteistö Oy Otavankatu 3	Pori	2,967	501	303	0	36%
Kiinteistö Oy Siilinjärven Toritie	Siilinjärvi	339	7	37	0	38%

2013 EUR in thousands	Domicile	Assets	Liabilities	Net sales	Share of result	Group holding
Suomen Numerot Numpac Oy	Helsinki	618	208	1,305	20	33%
Booxmedia Oy*	Helsinki	612	33	465	−139	27%
Kiinteistö Oy Otavankatu 3	Pori	2,500	84	300	0	36%
Kiinteistö Oy Siilinjärven Toritie	Siilinjärvi	344	5	41	0	38%

* Booxmedia Oy was sold in May 2015.

Interest in a joint arrangement

	Group holding
Suomen Yhteisverkko Oy	49%

The joint arrangement was established in 2014 and is classified as a joint operation. The contractual arrangement establishes the parties' rights to the assets and obligations for liabilities, relating to the arrangement, and the parties' rights to the corresponding revenues and obligations for the corresponding expenses. DNA will recognise its share (2015 42 per cent, 2014 40 per cent) of assets, liabilities, revenues and expenses in its consolidated financial statements.

18 Available-for-sale financial assets

EUR in thousands	2015	2014	2013
Shares in non-listed companies	215	215	215
Total	**215**	**215**	**215**

There were no changes in available-for-sale financial assets during the financial periods 2013–2015.

19 Trade and other receivables

EUR in thousands	2015	2014 (restated*)	2013 (restated*)
Non-current receivables			
Trade receivables	31,668	37,540	35,089
Prepaid expenses[(1)]	4,381	1,099	2,297
Other non-current receivables	1,824	1,774	1,349
Total	**37,874**	**40,413**	**38,735**
Current receivables			
Trade receivables	157,905	160,667	146,737
Prepaid expenses[(1)]	11,295	19,264	6,904
Income tax receivables	5,940	11,628	4,013
Other current receivables	7,391	9,075	1,014
Total	**182,531**	**200,634**	**158,668**

* Note 34

(1) Prepaid expenses mainly consist of: prepaid production rental invoices, prepayments for IT-support and other prepaid trade payables EUR 12.8 million (2014 EUR 11.1 million, 2013 EUR 8.2 million), TyEL pension prepayment EUR 0.3 million (2014 EUR 2.1 million, 2013 EUR 0.0 million) and other prepayments EUR 2.5 million (2014 EUR 7.2 million, 2013 EUR 1.0 million).

During 2015, the Group has recognised an impairment loss on trade receivables of EUR 3.0 million (2014 EUR 3.6 million, 2013 EUR 8.9 million). Impairment is recognised on receivables older than 180 days. Non-current receivables are measured at fair value. Fair value of receivables corresponds to book value as the effect of discounting is not material considering the maturity.

Movements in the provision for impairment of trade receivables are as follows:

	2015	2014	2013
1 January	7,933	9,370	14,461
Provision for receivable impairment	892	3,299	6,790
Receivables written off during the year as uncollectible	−2,178	−4,735	−11,880
31 December	**6,646**	**7,933**	**9,370**

20 Deferred tax assets and liabilities

Deferred tax assets 2015 EUR in thousands	1 January	Recognised in the income statement	Other comprehensive income	Business combinations	31 December
Financial assets	28		−28		0
Provisions	4,524	−1,770	−62		2,691
Finance lease agreements	415	−128			287
Group eliminations	8,474	−2,424			6,050
Tax losses	11,715	−11,520			195
Unused taxable depreciation	4,779	2,133			6,912
Other temporary differences	1,256	1,449			2,705
Total	**31,190**	**−12,260**	**−90**	**0**	**18,840**

20 Deferred tax assets and liabilities (Continued)

Deferred tax liabilities 2015 EUR in thousands	1 January	Recognised in the income statement	Other comprehensive income	Business combinations	31 December
Fair value of assets through business combinations	28,213	−4,580			23,633
Accelerated depreciation	78	209			287
Other temporary differences	4,228	137			4,365
Total	**32,518**	**−4,234**	**0**	**0**	**28,285**

Deferred tax assets 2014 EUR in thousands	1 January	Recognised in the income statement	Other comprehensive income	Business combinations	31 December
Financial assets	88	56	−115		29
Provisions	1,827	−5	134	2,568	4,524
Finance lease agreements	515	−100			415
Group eliminations	10,894	−2,420			8,474
Tax losses	18,371	−6,656			11,715
Unused taxable depreciation	2	−5,237		10,013	4,779
Other temporary differences	151	54		1,051	1,256
Total	**31,847**	**−14,308**	**19**	**13,632**	**31,190**

Deferred tax liabilities 2014 EUR in thousands	1 January	Recognised in the income statement	Other comprehensive income	Business combinations	31 December (restated*)
Fair value of assets through business combinations	28,507	−8,441		8,147	28,213
Accelerated depreciation	6,601	−6,524		0	78
Other temporary differences	3,853	375		0	4,228
Total	**38,961**	**−14,590**	**0**	**8,147**	**32,518**

* Note 34

Deferred tax assets 2013 EUR in thousands	1 January	Recognised in the income statement	Other comprehensive income	Business combinations	31 December
Financial assets	306	−56	−162		88
Provisions	2,596	−752	−17		1,827
Finance lease agreements	735	−220			514
Group eliminations	16,305	−5,411			10,894
Tax losses	0	−4,133		22,504	18,371
Other temporary differences	0	123		30	153
Total	**19,941**	**−10,450**	**−178**	**22,534**	**31,847**

Deferred tax liabilities 2013 EUR in thousands	1 January	Recognised in the income statement	Other comprehensive income	Business combinations	31 December
Fair value of assets through business combinations	38,626	−14,937		4,817	28,507
Accelerated depreciation	7,493	−891		0	6,602
Other temporary differences	4,316	−463		0	3,853
Total	**50,436**	**−16,291**	**0**	**4,817**	**38,961**

21 Inventories

EUR in thousands	2015	2014	2013
Materials and supplies	21,082	19,497	20,806
Total	**21,082**	**19,497**	**20,806**

During the reporting period, an expense of EUR 97.3 million (2014 EUR 109.6 million, 2013 EUR 106,9 million) was recognised in the income statement for materials and supplies.

22 Cash and cash equivalents

EUR in thousands	2015	2014	2013
Cash and cash equivalents	25,266	10,599	27,055
Total	**25,266**	**10,599**	**27,055**

23 Equity

EUR in thousands	Shares outstanding (thousands)	Treasury shares (thousands)	Total number of shares (thousands)	Share capital	Reserve for invested unrestricted equity
1 January 2013	8,479	1,132	9,611	72,702	606,779
31 December 2013	8,479	1,132	9,611	72,702	606,779
1 January 2014	8,479	1,132	9,611	72,702	606,779
Share issue	1		1		557
31 December 2014	8,479	1,132	9,611	72,702	607,335
1 January 2015	8,479	1,132	9,611	72,702	607,335
Share issue	8	−2	6		0
31 December 2015	**8,488**	**1,130**	**9,618**	**72,702**	**607,335**

Total number of shares include 1,130,487 treasury shares (2014 1,132,144, 2013 1,132,144).

DNA Ltd has one class of ordinary shares. The total number of shares is 9,618,357 (2014 9,611,277, 2013 9,610,676). The shares do not have a nominal value. DNA Ltd's share capital amounts to EUR 72,702,226 for all periods presented. All issued shares have been paid in full.

Rights issue to the Board of Directors

The rights issue is based on the decision of the Annual General Meeting to allow each member of the Board of Directors to decide whether their annual remuneration shall be paid entirely in cash, or partly in shares and partly in cash. During 2015, a total of 1,407 (2014 1,206, 2013 0) new shares were subscribed. Jarmo Leino subscribed 603 new shares, Anu Nissinen 201, Tero Ojanperä 201, Jukka Ottela 201 and Margus Schults 201. The per-share subscription price was EUR 95.51. The new shares issued did not have a nominal value. Of the 1,206 new shares subscribed in 2014 601 shares were registered during 2014 and 605 shares were registered during 2015. During 2015, 1,407 treasury shares were assigned.

Rights issue to key personnel

During the reporting period 2015, a total of 375 (2014 6,475) new shares were subscribed at the per-share subscription price of EUR 95.51. During 2015, 6,475 shares were registered. The new shares issued did not have a nominal value. During 2015, 375 treasury shares were assigned.

23 Equity (Continued)

Shareholders' equity reserves are described as follows:

Hedge reserve

Changes in the fair value of derivative instruments, used as cash flow hedges, are recognised in the hedge reserve.

	2015	2014	2013
Hedge reserve	0	−112	−292
Total	**0**	**−112**	**−292**

Reserve for invested unrestricted equity

The reserve for invested unrestricted equity includes other equity type investments and the subscription price of shares insofar as it has not been expressly recognised in the share capital.

Dividends

A dividend distribution of 40,062,746.40 euros (2014 30,041,194.02 euros, 2013 30,014,003.28) was made for the year 2015.

Treasury shares

The treasury shares account includes the acquisition cost of treasury shares held by the Group.

Treasury shares are presented as a separate component in equity.

Date	Number of shares	Acquisition cost
1 January 2013	1,132,144	103,546,211.53
31 December 2013	1,132,144	103,546,211.53
1 January 2014	1,132,144	103,546,211.53
31 December 2014	1,132,144	103,546,211.53
1 January 2015	1,132,144	103,546,211.53
Share issue	−1,782	−170,198.82
Returned	125	11,938.75
31 December 2015	**1,130,487**	**103,387,951.46**

Parent company DNA Ltd's distributable funds as at 31 December 2015

EUR in thousands	31 December 2015
Reserve for invested unrestricted equity	86,494
Retained earnings	51,942
Net result for the period	14,732
Total distributable funds	**153,168**

24 Share-based payments

Rights issue against payment to Group key personnel in 2014

On 20 November 2014, the Board of Directors decided to introduce a new share-based reward plan in the incentive and commitment scheme of DNA and its subsidiaries.

The objective is to align the goals of DNA's owners and the participating key personnel in order to increase the value of DNA, ensure the commitment of the key personnel and to offer them a competitive reward plan based on earning and accumulating company shares.

Participation requires subscription in the directed rights issue

The prerequisite in terms and conditions for participating in the share-based reward plan is that a person participating in the share-based reward plan acquires, against payment, shares up to the number determined by the Board of Directors.

Participants have the opportunity to receive a reward as DNA's shares or as cash in connection with stock-exchange listings or main shareholders' exit. Receiving of the reward is tied to the continuance of participant's employment and ownership of shares up to the number determined by the Board of Directors upon reward payment.

The reward will consist shares per each subscribed share (matching shares). Additionally, it is possible to obtain a reward based on the listing or sale price (performance share). For stock-exchange listings, the value of the reward is based on the share price and for exits, on the sale price. If neither takes place by 31 May 2019 at the latest, or if the Board of Directors decides to extend the plan no later than 31 May 2021, the reward is based on the possible increase in the share value during the expected life.

The right to the reward is personal, and is payable only to named participants. Participants cannot transfer the right to the reward to another party.

The Board of Directors decides on all matters relating to the share-based reward plan, such as a participant's right to the reward in case their duties within the Group should change or they leave the employment of DNA before the reward payment.

A maximum total of 128,000 new shares can be issued in the share-based reward plan.

The share subscription period of the new shares was from 27 November to 12 December 2014.

Share-based reward plan	
Grant date	12 Dec 2014
Amount of granted instruments	6,475
Share price at grant date	95.51
Fair value of the reward:	
Matching share/share	95.51
Performance share	315.00
Valid until	31 May 2019
Expected life (years)	3 years
Implementation	As shares and cash

DNA's management expects the implementation to take place partly as shares and partly as cash.

The fair value of the share is estimated according to the shares' valuation model.

The determination of fair value is based on assumptions such as expected volatility, fair value of the share at grant date and expected life.

During 2015, 125 shares were returned. Additionally the Board of Directors has on 26 March 2015, decided to make an addition to the share-based reward plan 2014 target group after which the amount of granted instruments were 6,725.

24 Share-based payments (Continued)

The share subscription period of the new shares was from 26 March to 24 April 2015.

Share-based reward plan	
Grant date	22 May 2015
Amount of granted instruments	375
Share price at grant date	95.51
Fair value of the reward:	
Matching share/share	95.51
Performance share	315.00
Valid until	31 May 2019
Expected life	3 years
Implementation	As shares and cash

The board of directors received remunerations in shares of EUR 0.1 million (2014 EUR 0.1 million, 2013 EUR 0.0 million).

The liability recorded in the balance sheet relating to the share-based reward plan was EUR 0.4 million (2014 EUR 0.0 million, 2013 EUR 0.0 million).

Option scheme

As proposed by the Board of Directors, the Annual General Meeting decided that a long-term incentive scheme for the management and other key personnel be introduced in March 2010. If the option rights holder's employment with a Group company ends, his or her option rights will immediately be forfeited. A total of 100,000 option rights was issued (2010). During spring 2011, it was decided to grant an additional 8,000 option rights. At most, 50,000 option rights are classified as 2010A and 58,000 option rights as 2010B.

During 2014, DNA's management has reassessed the implementation of the scheme according to its conditions. The implementation type has been reclassified as cash. 2010A expired during 2015 and 2010B expired during 2016. The conditions of the scheme were not fulfilled.

Option scheme Classification	2010A	2010B
Target group	Management and key personnel	Management and key personnel
Grant date	10 Mar 2010	1 Mar 2011
Amount of granted instruments	50,000	58,000
Share price at grant date	EUR 97.00	EUR 98.66
Subscription period	2 Jan 2013–30 Apr 2015	2 Jan 2014–30 Apr 2016
Expected life (years)	5 years	5 years
Conditions	Employed with the company, result-based	Employed with the company, result-based
Implementation	As cash	As cash

Share options outstanding

At the end of 2014, the implementation type was reclassified as cash. Changes in share options outstanding during the financial period and the average exercise periods are as follows:

	Number of shares
1 January 2014	62,000
Granted options	
Forfeited options	3,000
Exercised options	
Expired options	
Reclassified as cash	59,000
31 December 2014	0

24 Share-based payments (Continued)

There were no new options granted in 2014.

	Number of shares
1 January 2013	88,000
Granted options	
Forfeited options	26,000
Exercised options	
Expired options	
31 December 2013	62,000

There were no new options granted in 2013.

25 Employment benefit obligations

DNA Group's employee pensions are managed by external insurance companies. The TyEL pension insurances is classified as a defined contribution plan and are managed by the pension insurance companies. DNA also has additional defined benefit plans for some employees. These plans are based on the final salary, and the persons covered receive a supplementary pension at the defined level. The size of the benefit at retirement is determined by factors such as years of service and compensation earned while in employment.

The liability recognised in the balance sheet for the defined benefit plans is determined as follows:

EUR in thousands	2015	2014	2013
Liability recognised in the balance sheet:			
Funded defined benefit obligation	6,131	6,771	5,982
Fair value of plan assets	−4,192	−4,552	−4,485
Surplus/deficit	1,939	2,219	1,496
Liability recognised in the balance sheet	1,939	2,219	1,496

25 Employment benefit obligations (Continued)

	Present value of obligation	Fair value of plan assets	Total
1 January 2013	**6,689**	**−4,956**	**1,733**
Current service cost	64		64
Interest cost/income (−)	196	−146	50
	260	**−146**	**114**
Remeasurements recognised:			
Return on plan assets, excluding interest cost/income		123	123
Gain (−) or loss arising from changes in financial assumptions	−112		−112
Experience gains (−) / losses	−95		−95
	−207	**123**	**−84**
Contributions:			
Contribution paid by employer		177	177
Benefits paid:			
Benefits	−316	316	0
Settlements	−444		−444
31 December 2013	**5,982**	**−4,486**	**1,496**
1 January 2014	**5,982**	**−4,486**	**1,496**
Current service cost	114		114
Interest cost/income (−)	181	−137	44
	295	**−137**	**158**
Remeasurements recognised:			
Return on plan assets, excluding interest cost/income		−88	−88
Gain (−) or loss arising from changes in financial assumptions	1,283		1,283
Experience gains (−) / losses	−526		−526
	757	**−88**	**669**
Contributions:			
Contribution paid by employer		−104	−104
Benefits paid:			
Benefits	−263	263	0
Settlements			
31 December 2014	**6,771**	**−4,552**	**2,219**
1 January 2015	**6,771**	**−4,552**	**2,219**
Current service cost	90		90
Interest cost/income (−)	116	−78	38
	206	**−78**	**128**
Remeasurements recognised:			
Return on plan assets, excluding interest cost/income		300	300
Actuarial gain (−) or loss arising from changes in demographic assumptions	−17		−17
Gain (−) or loss arising from changes in financial assumptions	−472		−472
Experience gains (−) / losses	−122		−122
	−611	**300**	**−311**
Contributions:			
Contribution paid by employer		−97	−97
Benefits paid:			
Benefits	−235	235	0
31 December 2015	**6,131**	**−4,192**	**1,939**

25 Employment benefit obligations (Continued)

Significant actuarial assumptions:

	2015	2014	2013
Discount rate	1.90%	1.75%	3.10%
Inflation	1.60%	2.00%	2.00%
Salary growth rate	3.10%	3.50%	3.50%
Benefit growth rate	1.80%	2.10%	2.10%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into a weighted average life expectancy in years for a pensioner at the retirement age of 65 as follows:

2015	Men	Women
Plan participants retiring at the end of the financial year	21.4	25.4
Plan participants retiring 20 years after the end of the financial year	22.0	27.0

2014	Men	Women
Plan participants retiring at the end of the financial year	19.0	24.7
Plan participants retiring 20 years after the end of the financial year	20.6	26.4

2013	Men	Women
Plan participants retiring at the end of the financial year	19.0	24.7
Plan participants retiring 20 years after the end of the financial year	20.6	26.4

The sensitivity of the defined benefit obligation to changes in the weighted prinsipal assumptions:

	Impact on defined benefit obligation		
2015	Change in assumption	Increase	Decrease
Discount rate	0.50%	−7.3%	8.2%
Salary growth rate	0.50%	1.5%	−1.4%
Pension growth rate	0.50%	6.4%	−5.8%

	Addition of one year
Life expectancy	4.5%

	Impact on defined benefit obligation		
2014	Change in assumption	Increase	Decrease
Discount rate	0.50%	−7.0%	8.0%
Salary growth rate	0.50%	1.0%	−1.0%
Pension growth rate	0.50%	7.0%	−6.0%

	Addition of one year
Life expectancy	5.0%

25 Employment benefit obligations (Continued)

2013	Impact on defined benefit obligation Change in assumption	Increase	Decrease
Discount rate	0.50%	−6.4%	7.1%
Salary growth rate	0.50%	1.1%	−1.0%
Pension growth rate	0.50%	5.7%	−5.2%

	Addition of one year
Life expectancy	4.6%

The above sensitivity analysis is based on a method where one actuarial assumption changes but the others remain unchanged. In practice, this is unlikely, and some changes in assumptions may be correlated.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The Group is exposed to several risks in relation to the defined benefit plans, the most significant of which are described below.

Changes in the bond yields

According to the employer's IFRS reporting practice, the employer's obligations and liabilities depend on the bond yields on the reporting date. Decrease in yields increases liabilities and the payment obligation of pension benefits calculated according to IAS 19. However, since the employer is not subject to an investment risk in relation to the assets covering the liabilities, an increase in the yield of bonds will also have an effect on reported assets.

Inflation risk

The benefits paid in the plan are tied to the TyEL index, which depends on inflation (80 per cent) and a general salary index (20 per cent). High inflation increases the TyEL index, which in turn increases liabilities (IFRS) and annual contributions to the insurance company.

Salary risk

If the salary of an employee increases by more than the general salary index, the size of benefit will increase, which in turn will increase the benefit obligation, which increases the risk of higher contributions payable by the employer.

Life expectancy risk

As regards the life expectancy risk, the insurance company carries the risk related to actual life expectancy deviating from the expected life expectancy. Changes in life expectancy have an impact on the employer's obligations. The employer's risk in terms of changes in life expectancy only applies to future costs, whereas the insurance company carries the risk for benefits accrued by the change date.

Expected contributions to the post-employment benefit plan in 2016 are expected to total EUR 92 thousand.

The weighted average duration of the defined benefit obligation was 16 years (2014 16 years, 2013 14 years).

25 Employment benefit obligations (Continued)

Undiscounted pension benefits are expected to mature as follows:

EUR in thousands	2015	2014	2013
Pension benefits			
Less than 1 year	279	308	320
1–5 years	1,127	1,190	1,605
5–10 years	1,231	1,388	1,432
10–15 years	1,243	1,370	1,365
15–20 years	1,097	1,168	1,118
Over 20 years	3,619	3,762	3,512
Total	8,596	9,185	9,351

26 Provisions

EUR in thousands	1 January 2015	Additions	Provisions used	Business combinations	Other/Discount effect	31 December 2015
Asset retirement obligation	9,211	1	−649		0	**8,563**
Restructuring provisions	2,114	0	−1,961		0	**152**
Onerous contracts	11,780	869	−1,129		−6,586	**4,935**
Other provisions	89	376	0		−89	**376**
Total	**23,194**	**1,246**	**−3,739**	**0**	**−6,675**	**14,027**

EUR in thousands	1 January 2014	Additions	Provisions used	Business combinations	Other/Discount effect	31 December 2014
Asset retirement obligation	6,810	310	0	548	1,543	**9,211**
Restructuring provisions	205	4,860	−2,967	15	0	**2,113**
Onerous contracts	767	174	−99	11,607	−668	**11,781**
Other provisions	0	0	0	89	0	**89**
Total	**7,782**	**5,344**	**−3,066**	**12,259**	**875**	**23,194**

EUR in thousands	1 January 2013	Additions	Provisions used	Business combinations	Other/Discount effect	31 December 2013
Asset retirement obligation	6,519	0	−195		486	**6,810**
Restructuring provisions	1,449	0	−1,244		0	**205**
Onerous contracts	1,073	0	−302		−4	**767**
Total	**9,041**	**0**	**−1,741**	**0**	**482**	**7,782**

EUR in thousands	2013	2014	2015
Non-current provisions	7,579	20,057	13,023
Current provisions	203	3,137	1,004
Total	**7,782**	**23,194**	**14,027**

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.

Restructuring provisions

In August 2014, DNA announced the merger of its DNA Business unit, its subsidiary Forte Netservices Oy focusing on corporate data security solutions, and TDC Ltd Finland and TDC Hosting Ltd, both acquired in early June, into one strong corporate business unit. In relation to the restructuring, TDC Hosting Ltd and Forte Netservices Oy merged with the parent company DNA Ltd on 31 October 2014, and TDC Ltd

26 Provisions (Continued)

Finland on 31 December 2014, according to plan. The merger initiated a restructuring process started in August and completed on 14 October 2014, for which a restructuring provision of EUR 4.9 million was recognised. The restructuring provision includes a provision for termination costs. The provision related to termination costs was realised during 2015.

Onerous contracts

This provision is mainly for a non-cancellable lease agreement and covers future leases of unused premises. During the period, the Group has let part of the under-utilised premises and the provision has been reversed. The provision has been discounted. The non-cancellable lease agreement expires in 2025.

27 Borrowings

EUR in thousands	2015	2014	2013
Non-current			
Loans from financial institutions	113,954	74,524	118,658
Bonds	247,797	247,232	97,715
Other loan commitments	0	4,616	7,693
Finance lease liabilities	583	733	1,780
Total	**362,334**	**327,105**	**225,845**
Current			
Loans from financial institutions	35,138	44,134	47,113
Commercial papers	39,904	114,604	74,701
Other loan commitments	0	3,076	4,446
Finance lease liabilities	168	1,115	1,619
Total	**75,210**	**162,929**	**127,879**

EUR in thousands	2015	2014	2013
Finance lease liabilities—minimum lease payments			
No later than 1 year	170	1,146	1,645
Later than 1 year and no later than 5 years	649	678	1,654
Later than 5 years	0	142	311
Total	**819**	**1,965**	**3,610**
Future finance charges of finance leases	−68	−117	−211
Present value of finance lease payments	**751**	**1,848**	**3,399**
Finance lease liabilities—present value of minimum lease payments			
No later than 1 year	168	1,129	1,619
Later than 1 year and no later than 5 years	583	627	1,558
Later than 5 years	0	92	221
Total	**751**	**1,848**	**3,399**
Total finance lease liabilities	**819**	**1,965**	**3,610**

28 Trade and other payables

EUR in thousands	2015	2014 (Restated*)	2013 (Restated*)
Current financial liabilities carried at amortised cost			
Trade payables	85,402	71,100	50,456
Accrued expenses[1]	76,654	64,768	53,018
Advances received	25,743	22,981	22,261
Other current liabilities	9,471	10,289	6,770
Interest rate derivatives, hedge accounting	0	150	0
Total current liabilities	**197,271**	**169,288**	**132,504**

(1) Accrued expenses consist of: holiday pay and bonuses including social expenses totalling EUR 20.9 million (2014 EUR 18.1 million, 2013 EUR 15.6 million), interest expenses EUR 4.0 million (2014 EUR 1.2 million, 2013 EUR 0.9 million), deferred income EUR 7.0 million (2014 EUR 7.5 million, 2013 EUR 0.0 million) as well as other accrued operative expenses EUR 44.8 million (2014 EUR 38.0 million, 2013 EUR 36.6 million).

* Note 34

29 Fair value of borrowings

Non-current EUR in thousands	2015 Carrying amount	2015 Fair value	2014 Carrying amount	2014 Fair value	2013 Carrying amount	2013 Fair value
Loans from financial institutions	113,954	114,618	74,524	74,344	118,658	118,674
Bonds	247,797	256,945	247,232	250,162	97,715	96,347
Other loan commitments	0	0	4,616	4,923	7,693	8,195
Financial lease agreements	583	583	733	733	1,780	1,780
Total	**362,334**	**372,146**	**327,105**	**330,162**	**225,845**	**224,996**

Current EUR in thousands	2015 Carrying amount	2015 Fair value	2014 Carrying amount	2014 Fair value	2013 Carrying amount	2013 Fair value
Loans from financial institutions	35,138	35,220	44,134	44,119	47,113	47,109
Other loan commitments	39,904	39,904	117,681	117,759	79,146	79,230
Financial lease agreements	168	168	1,115	1,115	1,619	1,619
Total	**75,210**	**75,292**	**162,929**	**162,993**	**127,879**	**127,958**

Fair value of borrowings has been calculated by discounting the expected cash flow of borrowings using the market interest rate at balance sheet date plus the company's risk premium. The market value of the bond is the average value of the year-end quoted prices from two banks. The fair value of financial lease liabilities do not materially differ from their carrying amount.

30 Derivative financial instruments

2015

In 2015, DNA applied cash flow hedge accounting using an interest rate swap at a nominal value of EUR 14.0 million (68.0 million). There were no swap agreements outstanding at the end of 2015.

2014

EUR in million			< 1 year	1–5 years	> 5 years
Derivatives, hedge accounting					
Interest rate swaps		Nominal value	**14**	—	—
	Positive	Fair value	**—**	—	—
	Negative	Fair value	**0.1**	—	—

30 Derivative financial instruments (Continued)

In 2014, DNA applied cash flow hedge accounting using an interest rate swap at a nominal value of EUR 68.0 million (80.0 million). There was only one swap agreement outstanding at the end of 2014, and it was included in hedge accounting. This interest rate swap is reduced every six months as repayments are made. Testing for hedge effectiveness showed the hedge to be effective.

2013

EUR in million			< 1 year	1–5 years	> 5 years
Derivatives, hedge accounting					
Interest rate swaps		Nominal value	—	**68**	—
	Positive	Fair value	—	**—**	—
	Negative	Fair value	—	**0.5**	—

Derivative fair value measurement hierarchy

Level 1—Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2—Other inputs observable either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3—Unobservable inputs

2015

Fair value measurement	Level 1	Level 2	Level 3
Interest rate swaps	—	—	—

2014

Fair value measurement	Level 1	Level 2	Level 3
Interest rate swaps	—	−0.1	—

2013

Fair value measurement	Level 1	Level 2	Level 3
Interest rate swaps	—	−0.5	—

At year end, the Group had no derivative agreements subject to a netting arrangement.

31 Operating lease agreements

EUR in thousands	2015	2014	2013
Group as lessee			
The future minimum lease payments under non-cancellable operating leases			
Within one year	50,932	40,198	29,013
Later than one year but no later than five years	45,537	36,267	20,762
Later than five years	38,783	38,706	6,766
Total	**135,253**	**115,171**	**56,541**

The Group leases premises, telecommunication premises, masts, vehicles etc. The lease periods are 1–6 years and normally include the opportunity to continue the agreement after the original end date. The 2015 income statement includes paid operating lease expenses of EUR 40.1 million (2014 EUR 41.4 million, 2013 EUR 38.4 million). Relating to operating leases, the Group has made a provision of EUR 4.9 million (2014 EUR 11.6 million 2013 EUR 0.8 million). For more information see note 26 Provisions.

32 Guarantees and contingent liabilities

EUR in thousands	2015	2014	2013
VAT refund liability	969	1,180	0

In addition, DNA's agreements with some of its main suppliers contain minimum order quantities (units) for the contract period. As DNA has discretion over which units to purchase over the contract period and the price per unit varies, DNA is unable to estimate the exact EUR amount for these commitments.

Lease commitments relating to operating lease agreements are presented in note 31.

33 Related party transactions

DNA's related parties include the main shareholders (Finda 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.

Parent company DNA Ltd's subsidiaries and ownerships:

Company	Country	Share of ownership	Share of votes
DNA Kauppa Oy	Finland	100%	100%
DNA Welho Oy	Finland	100%	100%
Huuked Labs Oy	Finland	100%	100%
Forte Netservices OOO	Russia	100%	100%

Listing of associated companies is presented in note 17.

The following related party transactions were carried out:

EUR in thousands	Sales	Purchases	Receivables	Liabilities
2015				
Organisations exercising significant influence	24	3,527	2	2
Associated companies	0	624	0	2
2014				
Organisations exercising significant influence	27	3,859	2	2
Associated companies	0	617	0	2
2013				
Organisations exercising significant influence	50	4,338	3	34
Associated companies	0	518	0	80

Key management compensation

Company's key management comprises the Board of Directors and the management team.

EUR in thousands	2015	2014	2013
Salaries and other short-term employee benefits	2,879	2,815	2,852
Termination benefits	76	293	0
Pension expenses—defined contribution plan and defined benefit plan	322	229	602
Share-based payments	756	286	−141
Total	**4,033**	**3,623**	**3,313**

On 2014, in relation to the share-based reward plan, management subscribed 3,075 shares (during 2013 and 2015 there were no subscriptions (see note 24 Share-based payments)).

33 Related party transactions (Continued)

Options granted to management (the scheme is presented in note 24 Share based payments)

The implementation type has been reclassifed as cash. 2010A exprired during 2015 and 2010B expired during 2016. The conditions for the scheme were not fulfilled.

1000	2015	2014	2013
Granted options 1 January	0	32	58
Forfeited options	0	0	26
Reclassified as cash		32	
Total number of shares management options entitle	0	0	32

EUR in thousands	2015	2014	2013
CEO salaries and commissions:			
Jukka Leinonen	543	559	106
Riitta Tiuraniemi	0	293	702
Members and deputy members of the Board of Directors	479	564	494

Management's and CEOs' pension commitments

The CEO is entitled to retire at the age of 60 and the other members of the Executive Team at the age of 62. They have supplementary defined contribution plans.

34 Correction to prior periods

DNA Ltd has identified an error in its new invoicing system during the year 2015, affecting the returns and bookkeeping process of consumer business customer devices. Customer invoicing has not been affected by this error. As a result, DNA Ltd's consumer business net sales for 2013 and 2014 have been overstated. After the financial statements of 2014, it was identified that the brand write-down in Q3/2014 was understated by EUR 1.8 million. DNA has also reclassified certain balance sheet and cash flow items to correspond the group's current presentation format. The corrections and reclassifications have been retrospectively restated according to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The corrections had the following effect on the Group's figures for the years 2015, 2014 and 2013.

Consolidated statement of cash flows

	1 Jan–31 Dec 2015		
EUR in thousands	Reported	Reclassifications	Restated
Cash flows from operating activities			
Net result for the period	50,049		50,049
Adjustments	165,954	*1,048*	167,003
Finance income and expense	10,465	*1,048*	11,513
Change in net working capital	42,114	*−6,463*	35,651
Change in trade and other payables	28,483	*−6,463*	22,020
Interest paid	−9,452	*2,684*	−6,768
Net cash generated from operating activities	249,743	*−2,731*	247,012
Investments in property, plant and equipment (PPE) and intangible assets	−155,129	*2,731*	−152,398
Net cash used in investing activities	−152,466	*2,731*	−149,735
Net cash generated from (used in) financing activities	−82,610	*0*	−82,610

34 Correction to prior periods (Continued)

Consolidated income statement

EUR in thousands	1 Jan–31 Dec 2014 Reported	Change, invoicing system	Change, brand	Restated
Net sales	833,530	*−1,989*		831,541
Depreciation, amortisation and impairments	−174,857		*−1,769*	−176,626
Operating result, EBIT	29,360	*−1,989*	*−1,769*	25,601
Net result before income tax	18,926	*−1,989*	*−1,769*	15,168
Income tax expense	−3,523	*398*	*354*	−2,771
Net result for the period	15,403	*−1,591*	*−1,415*	12,397
Earnings per share, basic (EUR)	1.82	*−0.19*	*−0.17*	1.46

Consolidated statement of comprehensive income

EUR in thousands	1 Jan–31 Dec 2014 Reported	Change, invoicing system	Change, brand	Restated
Net result for the period	15,403	−1,591	−1,415	12,397
Total comprehensive income	15,047	−1,591	−1,415	12,041

Consolidated statement of financial position

EUR in thousands	31 Dec 2014 Reported	Change, invoicing system	Change, brand	Restated
Other intangible assets	178,636		*−1,769*	176,867
Total non-current assets	1,012,229		*−1,769*	1,010,460
Trade and other receivables	193,133	*−4,127*		189,006
Income tax receivable	10,902	*726*		11,628
Total current assets	234,131	*−3,401*		230,730
Total assets	1,246,360	*−3,401*	*−1,769*	1,241,190
Equity	508,162	*−2,602*	*−1,415*	504,144
Deferred tax liabilities	32,872		*−353*	32,518
Total non-current liabilities	401,806		*−353*	401,452
Trade and other payables	170,087	*−799*		169,288
Total current liabilities	336,393	*−799*		335,594
Total equity and liabilities	1 246,360	*−3,401*	*−1,768*	1,241,190

Consolidated statement of changes in equity

EUR in thousands	31 Dec 2014 Share capital	Reserves	Treasury shares	Retained earnings	Total equity
31.12.2013 Reported	72,702	606,487	−103,546	−53,390	522,253
Change, invoicing system				*−1,011*	*−1,011*
31.12.2013 Restated	72,702	606,487	−103,546	−54,401	521,242
31.12.2014 Reported	72,702	607,223	−103,546	−68,217	508,162
Change, invoicing system 2013				*−1,011*	*−1,011*
Change, invoicing system				*−1,591*	*−1,591*
Change, brand				*−1,415*	*−1,415*
31.12.2014 Restated	72,702	607,223	−103,546	−72,235	504,144

34 Correction to prior periods (Continued)

Consolidated statement of cash flows

	1 Jan–31 Dec 2014				
EUR in thousands	Reported	Reclassifications	Change, invoicing system	Change, brand	Restated
Cash flows from operating activities					
Net result for the period	15,403		*−1,591*	*−1,415*	12,397
Adjustments	191,587		*−398*	*1,415*	192,604
Depreciation, amortisation and impairment	174,857			*1,769*	176,626
Finance income and expense	10,451				10,451
Income taxes	3,523		*−398*	*−354*	2,771
Change in net working capital	−119	*−23,968*	*1,989*		−22,099
Change in trade and other receivables	−13,743	*−2,865*	*2,466*		−14,142
Change in trade and other payables	12,216	*−21,103*	*−477*		−9,365
Interest paid	−8,307	*268*			−8,039
Other financial items	−2,756	*1,032*			−1,724
Income taxes paid	−13,543	*2,865*			−10,678
Net cash generated from operating acitivities	182,850	*−19,802*	*0*	*0*	163,047
Investments in property, plant and equipment (PPE) and intangible assets	−149,608	*19,979*			−129,629
Net cash used in investing activities	−306,715	*19,979*	*0*	*0*	−286,736
Proceeds from issuance of shares	734	*−177*			557
Net cash generated from financing activities	107,409	*−177*	*0*	*0*	107,232

Consolidated income statement

	1 Jan–31 Dec 2013		
EUR in thousands	Reported	Change, invoicing system	Restated
Net sales	766,431	*−1,339*	765,092
Operating result	43,651	*−1,339*	42,312
Net result before income tax	37,653	*−1,339*	36,314
Income tax	−8,729	*328*	−8,401
Net result for the period	28,924	*−1,011*	27,913
Earnings per share, basic (EUR)	3.41	*−0.12*	3.29

Consolidated statement of comprehensive income

	1 Jan–31 Dec 2013		
EUR in thousands	Reported	Change, invoicing system	Restated
Net result for the period	28,924	−1,011	27,913
Total comprehensive income	29,638	−1,011	28,627

34 Correction to prior periods (Continued)

Consolidated statement of financial position

EUR in thousands	31 Dec 2013 Reported	Reclassifications	Change, invoicing system	Restated
Other non-current assets	871,481			871,481
Trade and other receivables	159,181	−2,865	*−1,661*	154,655
Tax receivable	820	2,865	*328*	4,013
Total current assets	207,861		*−1,332*	206,529
Total assets	1,079,342		*−1,332*	1,078,010
Shareholders' equity	522,253		*−1,011*	521,242
Total non-current liabilities	296,083			296,083
Trade and other payables	132,825		*−321*	132,504
Total current liabilities	261,007		*−322*	260,685
Total equity and liabilities	1,079,342		*−1,332*	1,078,010

Consolidated statement of changes in equity

EUR in thousands	31 Dec 2013 Share capital	Reserves	Treasury shares	Retained earnings	Total equity
31.12.2013 Reported	72,702	606,487	−103,546	−53,390	522,253
Change, invoicing system				*−1,011*	*−1,011*
31.12.2013 Restated	72,702	606,487	−103,546	−54,401	521,242

Consolidated statement of cash flows

EUR in thousands	1 Jan–31 Dec 2013 Reported	Reclassifications	Change, invoicing system	Restated
Cash flows from operating activities				
Net result for the period	28,924		*−1,011*	27,913
Adjustments	159,948		*−328*	159,620
Taxes	8,729		*−328*	8,401
Change in net working capital	−32,868	*5,889*	*1,339*	−25,639
Change in trade and other receivables	−6,834	*2,865*	*1,661*	−2,308
Change in trade and other payables	−22,968	*3,024*	*−322*	−20,266
Interest paid	−6,440	*−149*		−6,588
Income taxes paid	−14,867	*−2,865*		−17,731
Net cash generated from operating acitivities	133,565	*2,875*	*0*	136,440
Investments in property, plant and equipment (PPE) and intangible assets	−127,101	*−2,875*		−129,976
Net cash used in investing activities	−167,137	*−2,875*	*0*	−170,012
Net cash generated from financing activities	52,403	*0*	*0*	52,403

35 Events after the balance sheet date

The Board of Directors refers to the published interim reports. In addition to the interim reports, there have not been any significant events events after the balance sheet date.

SIGNATURES OF THE FINANCIAL STATEMENTS

Helsinki, on 20 October 2016

Jarmo Leino Chairman of the Board of Directors	Anu Nissinen Member of the Board of Directors
Kirsi Sormunen Member of the Board of Directors	Jukka Ottela Member of the Board of Directors
Tero Ojanperä Member of the Board of Directors	Margus Schults Member of the Board of Directors
Jukka Leinonen CEO	

Independent Auditor's Report (unofficial English translation)

To the Board of Directors of DNA Oy

We have audited the consolidated financial statements of DNA Oy which comprise the consolidated statements of financial position as at December 31, 2015, December 31, 2014 and December 31, 2013 and the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended and notes to the consolidated financial statements. This audit report has been prepared only for the purpose of including it in the Offering Circular prepared in accordance with commission regulation (EC) N:o 809/2004.

Responsibility of the Board of Directors and the Managing Director for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements of DNA Oy give, for the purpose of the Offering Circular, a true and fair view of the financial position of the group as at December 31, 2015, December 31, 2014 and December 31, 2013, and of its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU.

Helsinki October 24, 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

Mika Kaarisalo
Authorised Public Accountant (KHT)

PricewaterhouseCoopers Oy, Accounting Consulting Services, P.O. Box 1015 (Itämerentori 2), FI-00101 HELSINKI
Phone +358 20 787 7000, Fax +358 20 787 8000, www.pwc.fi
Reg. Domicile Helsinki, Business ID 0486406-8

DNA OYJ (FORMERLY DNA OY) UNAUDITED CONSOLIDATED INTERIM FINANCIAL INFORMATION AS AT AND FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016 INCLUDING COMPARATIVE INFORMATION

UNAUDITED CONSOLIDATED INCOME STATEMENT

EUR in thousands	1 Jul–30 Sep 2016	1 Jul–30 Sep 2015	1 Jan–30 Sep 2016	1 Jan–30 Sep 2015	1 Jan–31 Dec 2015
Net sales	**221,541**	**206,345**	**633,720**	**614,858**	**828,800**
Other operating income	766	756	2,680	3,268	4,283
Materials and services	−99,377	−91,737	−278,437	−274,644	−375,009
Employee benefit expenses	−27,418	−22,966	−82,916	−78,765	−106,850
Depreciation, amortisation and impairments	−37,046	−37,639	−108,300	−119,727	−154,622
Other operating expenses	−29,154	−29,359	−90,012	−91,188	−123,510
Operating result, EBIT	**29,312**	**25,399**	**76,736**	**53,802**	**73,093**
Finance income	209	213	672	703	986
Finance expense	−2,613	−3,177	−7,903	−9,634	−12,499
Share of accosiates' results	6	0	13	10	14
Net result before income tax	**26,913**	**22,436**	**69,519**	**44,882**	**61,593**
Income tax expense	−5,389	−4,500	−13,946	−8,812	−11,544
Net result for the period	**21,524**	**17,936**	**55,573**	**36,070**	**50,049**
Attributable to:					
Owners of the parent	21,524	17,936	55,573	36,070	50,049
Earning per share for net result attributable to owners of the parent:					
Earnings per share, basic EUR	2.54	2.11	6.55	4.25	5.90
Earnings per share, diluted EUR	2.54	2.11	6.55	4.25	5.90

Notes are an integral part of the unaudited consolidated interim financial information.

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR in thousands	1 Jul–30 Sep 2016	1 Jul–30 Sep 2015	1 Jan–30 Sep 2016	1 Jan–30 Sep 2015	1 Jan–31 Dec 2015
Net result for the period	21,524	17,936	55,573	36,070	50,049
Items that will not be reclassified to profit or loss:					
Remeasurements of post employment benefit obligations	0	0	−16	44	249
Items that may be reclassified subsequently to profit or loss:					
Cash flow hedges	0	21	0	95	112
Other comprehensive income, net of tax	**0**	**21**	**−16**	**139**	**361**
Total comprehensive income	**21,524**	**17,957**	**55,557**	**36,209**	**50,410**
Attributable to:					
Owners of the parent	21,524	17,957	55,557	36,209	50,410

Notes are an integral part of the unaudited consolidated interim financial information.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR in thousands	30 Sep 2016	31 Dec 2015
Assets		
Non-current assets		
Goodwill	327,206	327,206
Other intangible assets	154,494	158,429
Property, plant and equipment	423,132	443,877
Investments in associates	1,195	1,186
Available-for-sale financial assets	215	215
Trade and other receivables	34,561	37,874
Deferred tax assets	17,839	18,840
Total non-current assets	**958,642**	**987,626**
Current assets		
Inventories	17,991	21,082
Trade and other receivables	184,097	176,591
Income tax receivables	328	5,940
Cash and cash equivalents	48,369	25,266
Total current assets	**250,785**	**228,879**
Total assets	**1,209,427**	**1,216,505**
Equity		
Equity attributable to owners of the parent		
Share capital	72,702	72,702
Reserves	607,335	607,335
Trasury shares	−103,321	−103,388
Retained earnings	−91,188	−101,778
Net result for the period	55,573	50,049
Total equity	**541,100**	**524,920**
Liabilities		
Non-current liabilities		
Borrowings	341,330	362,334
Employment benefit obligations	1,974	1,939
Provisions	10,290	13,023
Deferred tax liabilities	25,618	28,285
Other non-current liabilities	12,540	12,502
Total non-current liabilities	**391,752**	**418,082**
Current liabilities		
Borrowings	80,189	75,210
Provisions	737	1,004
Trade and other payables	186,197	197,271
Income tax liabilities	9,452	18
Total current liabilities	**276,575**	**273,503**
Total equity and liabilities	**1,209,427**	**1,216,505**

Notes are an integral part of the unaudited consolidated interim financial information.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	1 Jan–30 Sep	
EUR in thousands	**2016**	**2015 Restated***
Cash flows from operating activities		
Net result for the period	55,573	36,070
Adjustments[(1)]	126,360	130,878
Change in net working capital[(2)]	11,945	14,681
Dividends received	6	6
Interest paid	−5,125	−3,647
Interest received	365	317
Other financial items	−465	−1,110
Income taxes paid	−552	2,986
Net cash generated from operating activities	**188,106**	**180,180**
Cash flows from investing activities		
Investments in propery, plant and equipment (PPE) and intangible assets	−107,436	−103,554
Proceeds from sale of PPE	109	933
Other investments	−1,120	1,637
Net cash used in investing activities	**−108,448**	**−100,984**
Cash flows from financial activities		
Proceeds from issance of shares	67	158
Dividends paid	−40,063	−30,041
Proceeds from borrowings	59,864	124,634
Repayment of borrowings	−76,423	−172,014
Net cash used in financing activities	**−56,555**	**−77,263**
Change in cash and cash equivalents	23,104	1,933
Cash and cash equivalents at the beginning of period	25,266	10,599
Cash and cash equivalents at the end of period	48,369	12,531

(1) Adjustments:		
Depreciation, amortisation and impairments	108,300	119,727
Gains and losses on disposals of non-current assets	−137	−1,101
Other non-cash income and expense	−13	−10
Finance income and expense	7,230	8,931
Income tax expense	13,946	8,812
Change in provisions	−2,965	−5,481
Total adjustment	**126,360**	**130,878**
(2) Change in net working capital:		
Change in trade and other receivables	−3,561	6,735
Change in inventories	3,091	590
Change in trade and other payables	12,415	7,356
Change in net working capital	**11,945**	**14,681**

* Note 9

Notes are an integral part of the unaudited consolidated interim financial information.

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR in thousands	Share capital	Hedge reserve	Reserve for invested unrestricted equity	Treasury shares	Retained earnings	Total equity
1 January 2015	**72,702**	**−112**	**607,335**	**−103,546**	**−72,235**	**504,144**
Comprehensive income						
Net result for the period					36,070	36,070
Other comprehensive income						
Remeasurements of post employment benefit obligations					44	44
Cash flow hedges		95				95
Total other comprehensive income, net of tax		95			44	139
Total comprehensive income		**95**			**36,114**	**36,209**
Transactions with owners						
Share issue				158	−158	0
Share-based payments					331	331
Dividends relating to 2014					−30,041	−30,041
Total contribution by and distributions to owners	**0**	**0**	**0**	**158**	**−29,868**	**−29,710**
30 September 2015	**72,702**	**−18**	**607,335**	**−103,388**	**−65,989**	**510,643**
1 January 2016	**72,702**	**0**	**607,335**	**−103,388**	**−51,729**	**524,920**
Comprehensive income						
Net result for the period					55,573	55,573
Other comprehensive income						
Remeasurements of post employment benefit obligations					−16	−16
Cash flow hedges						0
Total other comprehensive income, net of tax		0			0	0
Total comprehensive income	**0**	**0**	**0**	**0**	**55,557**	**55,557**
Transactions with owners						
Share issue				67	−67	0
Share-based payments					686	686
Dividends relating to 2015					−40,063	−40,063
Total contribution by and distributions to owners	0	0	0	67	−39,444	−39,377
30 September 2016	**72,702**	**0**	**607,335**	**−103,321**	**−35,616**	**541,100**

Notes are an integral part of the unaudited consolidated interim financial information.

1 Accounting principles

This interim financial information has been prepared in accordance with IFRS recognition and measurement principles and complies with the requirements of the IAS 34 Interim Financial Reporting 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 2015 with the exception of new and modified standards effective as of 1 January 2016 which had no material impact on DNA's consolidated financial statements. This interim financial information should be read in connection with the 2015 Financial Statements. Certain items in the consolidated statements of cash flows, for the year 2015 and for the nine months ended 30 September 2015, have been reclassified to correspond to the current presentation format. For more information, see note 9. The information presented in the interim financial information is unaudited.

The Board of Directors has approved this interim financial information on 20 October 2016.

2 Segment information

1 Jan–30 Sep 2016 EUR in thousands Business segments	Consumer segment	Corporate segment	Unallocated	Group total
Net sales	**464,439**	**169,281**		**633,720**
EBITDA	**131,160**	**53,876**		**185,036**
Depreciation, amortisation and impairments	69,807	38,493		108,300
Operating result, EBIT	**61,353**	**15,383**		**76,736**
Net finance items			−7,230	−7,230
Share of associates' results			13	13
Net result before income tax				69,519
Net result for the period				**55,573**
Capital expenditure*	53,459	26,521	4,898	84,878
Employees at end of period	1,002	667		1,669

1 Jan–30 Sep 2015 EUR in thousands Business segments	Consumer segment	Corporate segment	Unallocated	Group total
Net sales	**442,113**	**172,745**		**614,858**
EBITDA	**119,561**	**53,969**		**173,529**
Depreciation, amortisation and impairments	76,000	43,727		119,727
Operating result, EBIT	**43,560**	**10,242**		**53,802**
Net finance items			−8,931	−8,931
Share of associates' results			10	10
Net result before income tax				44,882
Net result for the period				**36,070**
Capital expenditure*	55,320	25,220	3,200	83,740
Employees at end of period	1,008	683		1,691

* Reported capital expenditure comprise additions to intangible and tangible assets, excluding business combinations, spectrum license acquisition and additions relating to finance lease agreements and decommissioning obligations. Additionnally, capital expenditure include spectrum license payments made during the reporting period. Unallocated capital expenditure comprise sales commissions.

The primary key indicators for the segments' profit and loss monitoring comprise net sales, EBITDA and operating result. The company believes that the EBITDA measure provides meaningful supplemental information to the company management and the readers of its financial statements by excluding items that may not be indicative of the company's operating result or cash flows.

EBITDA is not prepared in accordance with IFRS and is therefore considered a non-IFRS financial measure, which should not be viewed in isolation or as a substitute to the equivalent IFRS financial measures. EBITDA should not be considered as an alternative to (a) operating result or net result for the period as a measure of operating performance, (b) cash flows from operating, investing or financing

2 Segment information (Continued)

activities as a measure of the company's ability to meet its cash needs or (c) any other IFRS financial measures, or as a measure of performance or liquidity.

3 Capital expenditure

EUR in thousands Capital expenditure*	Jan–Sep 2016
Intangible assets	**22,420**
Property, plant and equipment	**62,458**
Total	**84,878**

* Capital expenditure comprise additions to intangible and tangible assets, excluding business combinations, spectrum license acquisition and additions relating to finance lease agreements and decommissioning obligations. Additionnally, capital expenditure include spectrum license payments made during the reporting period.

Major individual items included in capital expenditure are the 4G and 3G networks and in fibre and transfer systems. Major individual intangible items included in capital expenditure are IT systems.

4 Equity

EUR in thousands	Number of shares (thousands)	Share capital	Reserve for invested unrestricted equity
1 January 2015	9,611	72,702	607,335
Share issue	6		
31 December 2015	9,618	72,702	607,335
30 September 2016	**9,618**	**72,702**	**607,335**

DNA Ltd has one class of ordinary shares. The total number of shares is 9,618,357 (9,618,357). The total number of shares include 1,129,967 treasury shares. Number of shares outstanding are 8,488,390 (8,487,870). The shares do not have a nominal value. DNA Ltd's share capital at 30 September 2016 amounts to EUR 72,702,226. All issued shares have been paid in full.

Dividends

DNA Ltd's Annual General Meeting of 31 March 2016 approved a payment of dividend (EUR 4.72 per share) totalling EUR 40,062,746.40. The dividend was paid on 11 April 2016.

5 Net debt

EUR in thousands	30 Sep 2016	31 Dec 2015
Non-current borrowings	341,330	362,334
Current borrowings	80,189	75,210
Total borrowings	421,519	437,544
Less cash and cash equivalents	48,369	25,266
Net debt	**373,150**	**412,278**

6 Provisions

EUR in thousands	1 January 2016	Additions	Provisions used	Other/Discount effect	30 September 2016
Asset retirement obligation	8,564	4	−526		8,041
Restructuring provisions	152	1			153
Onerous contracts	4,935	1,163	−295	−3,557	2,246
Other provision	376	210			586
Total	**14,027**	**1,377**	**−820**	**−3,557**	**11,027**

6 Provisions (Continued)

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 15 years, and 25 years for data centres and masts. Realising the dismantling and demolition costs do not involve any significant uncertainties.

Onerous contracts

This provision is mainly for a non-cancellable lease agreement and covers future leases of unused premises. During the period, the Group has let part of the under-utilised premises and the provision has been reversed. The provision has been discounted. The non-cancellable lease agreement expires in 2025.

7 Related party transactions

DNA's related parties include the main shareholders (Finda 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 Group's related party transactions:

EUR in thousands	Sales	Purchases	Receivables	Liabilities
Sep 2016				
Organisations exercising significant influence	22	2,042	2	193
Associated companies	0	344	0	2

EUR in thousands	Sales	Purchases	Receivables	Liabilities
Sep 2015				
Organisations exercising significant influence	18	2,713	2	6
Associated companies	0	510	0	2

8 Share-based payments

Rights issue against payment to Group key personnel in 2014

On 20 November 2014, the Board of Directors decided to introduce a new share-based reward plan in the incentive and commitment scheme of DNA and its subsidiaries.

The objective is to align the goals of DNA's owners and the participating key personnel in order to increase the value of DNA, ensure the commitment of the key personnel and to offer them a competitive reward plan based on earning and accumulating company shares.

Participation requires subscription in the directed rights issue. The prerequisite for participating in the share-based reward plan is that a person participating in the share-based reward plan acquires, against payment, shares up to the number determined by the Board of Directors.

Participants have the opportunity to receive a reward as DNA's shares or as cash in connection with stock-exchange listings or main shareholders' exit. Receiving of the reward is tied to the continuance of participant's employment and ownership of shares up to the number determined by the Board of Directors upon reward payment.

The reward will consist of shares per each subscribed share (base matching shares). Additionally, it is possible to obtain a reward based on the listing or sale price (performance share). For stock-exchange listings, the value of the additional reward, is based on the share price and for exits, on the sale price. If neither takes place by 31 May 2019 at the latest, or if the Board of Directors decides to extend the plan no later than 31 May 2021, the reward is based on the possible increase in the share value during the expected life.

8 Share-based payments (Continued)

The right to the reward is personal, and is payable only to named participants. Participants cannot transfer the right to the reward to another party. The Board of Directors decides on all matters relating to the shared-based reward plan, such as a participant's right to the reward in case their duties within the Group should change or they leave the employment of DNA before the reward payment.

A maximum total of 128,000 new shares can be issued in the plan.

The share subscription period of the new shares was from 27 November to 12 December 2014. Additionnally, the board of directors has on 26 of March 2015, decided to make an addition to the share-based reward plan 2014 target group after which the amount of granted instruments were 6,725. The share subscription period of the new shares was from 26 March to 24 April 2015.

Share-based reward plan

Grant date	12 Dec 2014	22 May 2015
Amount of granted instruments	6,475	375
Returned instruments	125	
Share price at grant date	95.51	95.51
Fair value of the reward at grant date		
Matching share/Share	95.51	95.51
Performance share	315.00	315.00
Valid until	31 May 2019	31 May 2019
Expected life	3 years	3 years
Implementation	As shares and cash	As shares and cash

DNA's management expects the implementation to take place partly as shares and partly as cash. Management has reassessed the expected life of the share-based reward to three years.

The fair value of the share is estimated according to the shares' valuation model.

The determination of fair value is based on assumptions such as expected volatility, fair value of the share at grant date and expected life.

Expense recorded in the income statement	Jan–Sep 2016	Jan–Sep 2015
Share-based payments	5,746	572

Debt recorded in the statement of financial position	30 Sep 2016	31 Dec 2015
Debt related to share-based reward plan	5,456	378

9 Correction to prior periods

DNA has reclassified certain balance sheet and cash flow items to represent the group's current reporting policy. The corrections and reclassifications have been retrospectively restated according to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The corrections had the following effect on the Group's figures.

9 Correction to prior periods (Continued)

Consolidated statement of cash flows

EUR in thousands	Jan–Sep 2015 Reported	Reclassifications	Restated
Cash flows from operating activities			
Net result for the period	36,070		36,070
Change in net working capital	−640	15,321	14,681
Change in trade and other receivables	7,582	−847	6,735
Change in trade and other payables	−8,812	16,168	7,356
Interest paid	−7,281	3,634	−3,647
Other financial items	−1,957	847	−1,110
Net cash generated from operating activities	160,377	19,803	180,180
Investments in property, plant and equipment (PPE) and intangible assets	−83,752	−19,803	−103,554
Net cash used in investing activities	−81,182	−19,803	−100,984
Net cash generated from (used in) financing activities	**−77,263**		**−77,263**

10 Events after the interim period

There have been no significant events after the interim period.

Report on review of consolidated interim financial information of DNA Oy as at September 30, 2016 and for the nine months ended September 30, 2016 including comparatives (unofficial English translation)

To the Board of Directors of DNA Oy

Introduction

We have reviewed the consolidated interim financial information of DNA Oy which comprise the consolidated statement of financial position as at September 30, 2016, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the nine months ended September 30, 2016 and September 30, 2015 as well as the selected notes to the interim financial information. The Board of Directors and the Managing Director are responsible for the preparation of the consolidated interim financial information in accordance with IAS 34 Interim Financial reporting standard as adopted by the European Union. We will express a conclusion on these consolidated interim financial information based on our review. This report has been prepared only for the purpose of including it in the Offering Circular prepared in accordance with commission regulation (EC) N:o 809/2004.

Scope of Review

We conducted our review in accordance with International Standard ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of DNA Oy as at September 30, 2016 and for the nine months ended September 30, 2016 including comparatives has not been prepared, in all material respects, in accordance with IAS 34 Interim Financial reporting standard as adopted by the European Union.

Helsinki October 24, 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

Mika Kaarisalo
Authorised Public Accountant

PricewaterhouseCoopers Oy, Authorised Public Accountants, P.O. Box 1015 (Itämerentori 2), FI-00101 HELSINKI
Phone +358 20 787 7000, fax +358 20 787 8000, www.pwc.fi
Reg. Domicile Helsinki, Business ID 0486406-8

APPENDICES

ANNEX A

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE PROFIT FORECAST INCLUDED IN THE OFFERING CIRCULAR

pwc

Independent auditor's assurance report on profit forecast included in the Offering Circular (unofficial English translation)

To the Board of Directors of DNA Oyj

We report in accordance with the Commission Regulation (EC) No 809/2004 Annex I item 13.2 on the profit forecast included in the section *"Operating and Financial Review—Profit Forecast"* of DNA Oyj's Offering Circular dated November 14, 2016. The Offering Circular includes a profit forecast compiled by the management of DNA Oyj according to which the operating result is expected to grow significantly in 2016 compared to 2015.

Responsibility of the Board of Directors

The Board of Directors of DNA Oyj is responsible for the compilation of the profit forecast including the principal assumptions upon which it is based in accordance with the Commission Regulation (EC) No 809/2004.

Auditor's responsibility

Our responsibility is to express an opinion as to whether the profit forecast has been properly compiled on the basis stated and that the basis of accounting used for the profit forecast is consistent with the accounting policies of the issuer.

We conducted our work in accordance with the instructions issued by the Finnish Institute of Authorised Public Accountants "Profit forecast and estimate—instructions for the auditor". We have not performed an audit or a review on the profit forecast included in the Offering Circular or on the information and assumptions used in the compilation of the profit forecast.

We planned and performed our work so that the evidence we have obtained is sufficient and appropriate to provide a reasonable assurance that the profit forecast has been properly compiled on the basis stated and that the basis of accounting used for the profit forecast is consistent with the accounting policies of DNA Oyj.

Opinion

In our opinion, the profit forecast has been properly compiled on the basis stated and that the basis of accounting used for the profit forecast is consistent with the accounting policies of DNA Oyj.

Qualifications and restriction on distribution and use of the report

Actual results may be different from the profit forecast since anticipated events frequently do not occur as expected and the variation may be material.

This report has been prepared solely to be included in the Offering Circular prepared in accordance with the Commission Regulation (EC) No 809/2004.

Helsinki November 14, 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

Mika Kaarisalo
Authorised Public Accountant (KHT)

PricewaterhouseCoopers Oy, Authorised Public Accountants, P.O. Box 1015 (Itämerentori 2), FI-00101 HELSINKI
Phone +358 20 787 7000, www.pwc.fi
Reg. Domicile Helsinki, Business ID 0486406-8

ANNEX B

THE COMPANY'S ARTICLES OF ASSOCIATION (UNOFFICIAL ENGLISH TRANSLATION)

1 §
TRADE NAME AND DOMICILE OF THE COMPANY

The trade name of the company is DNA Oyj, and it is domiciled in Helsinki. The parallel trade name of the company in English is DNA Plc and in Swedish DNA Abp.

2 §
LINE OF BUSINESS

The line of business of the company is general telecommunications and the provision of data communications, ICT, entertainment and television services. The company also imports equipment, devices, accessories and software and acts as a trader and an intermediary. In addition, the company provides consulting and services related to the above-mentioned operations as well as telephone and other types of communications. The company also has the right to offer payment services. The payment services provided by the company are listed in the register of payment service providers of the Financial Supervisory Authority. The company may own real estate and securities, engage in securities trading and conduct investment and finance operations that support the company's line of business.

3 §
BOARD OF DIRECTORS

The Board of Directors, which is elected at the Annual General Meeting, is responsible for the administration and the appropriate organisation of the company's operations. The Board of Directors comprises a minimum of five (5) and maximum of nine (9) ordinary members. The term of office of a member of the Board of Directors expires at the end of the first Annual General Meeting following the election. The Board of Directors elects the chairman from among the members for each term of office. The Board of Directors is deemed to constitute a quorum when more than half of the members of the Board of Directors are present.

4 §
PRESIDENT AND CEO

The company has a President and CEO who is appointed by the Board of Directors.

5 §
INCLUSION IN THE BOOK-ENTRY SYSTEM

The shares of the company are in the book-entry securities system.

6 §
REPRESENTATION OF THE COMPANY

The company is represented by the President and CEO and the Chairman of the Board of Directors, each acting alone, and by two members of the Board of Directors acting together.

The Board of Directors may grant the right to represent the company and procurations to other persons.

7 §
AUDITORS

The company has one (1) auditor, which shall be an audit firm with a responsible auditor who shall be an authorised public accountant. Their term of office of the auditor is the financial period, and the auditor's duty shall expire at the end of the first Annual General Meeting following the election.

8 §
NOTICE OF GENERAL MEETING AND ADVANCE REGISTRATION

The notice convening a General Meeting shall be delivered to the shareholders by regular mail to the addresses listed in the shareholder register or by publishing it in at least one nationwide newspaper designated by the Board of Directors no earlier than two (2) months and no later than nine (9) days before the record date of the General Meeting. The record date of the General Meeting is eight (8) business days before the General Meeting. To be entitled to attend the General Meeting, shareholders must register with the company by the date specified in the notice, which shall be no earlier than ten (10) days before the General Meeting.

9 §
ANNUAL GENERAL MEETING

The Annual General Meeting must be held within six (6) months of the end of the financial period, at a date specified by the Board of Directors.

Items on the agenda of the Annual General Meeting shall include:

the presentation of

1. the financial statements and report of the Board of Directors;

2. the auditors' report;

decisions on

3. the adoption of the financial statements, which, in the parent company, also involves the adoption of the consolidated financial statements;

4. the use of the profit shown on the balance sheet;

5. discharging the Members of the Board of Directors and the President and CEO from liability;

6. the number of members of the Board of Directors;

7. the compensation of the members of the Board of Directors and the auditor;

the election of

8. the members of the Board of Directors;

9. the auditor; and

consideration of

10. any other business specified in the notice of the meeting.

10 §
FINANCIAL PERIOD

The company's financial period is one calendar year.

11 §
REDEMPTION CLAUSE

If the company's share is transferred from a shareholder other than the company, the transferee of the share shall inform the Board of Directors thereof without delay and the company and other shareholders shall have the right to redeem the share under the following provisions:

The company may redeem the share only with distributable assets. The company shall exercise its right within forty (40) days of the Board of Directors receiving the notification of the transfer of the share.

Shareholders shall have the right to redeem a share if the company does not exercise its redemption right. If several shareholders wish to exercise their right to redeem, the Board of Directors shall distribute the shares between those wishing to redeem shares in proportion to their shareholdings. If the shares are not distributed equally using this method, the remaining shares shall be distributed between those wishing to redeem them by drawing lots.

The consideration for the shares is the price agreed by the transferor and the transferee of the share and, if the transfer is made free of charge, the share's latest taxation value.

The Board of Directors shall notify those shareholders with the right of redemption without delay about the transfer and whether the company wishes to exercise its redemption right. The notifications to shareholders shall be posted as registered letters to the addresses listed in the shareholder register.

If the company does not exercise its redemption right, the notification shall include the redemption price and the date by which shareholders shall demand redemption.

Shareholders with a redemption right shall notify the company about their redemption demand in writing within two (2) months of the Board of Directors receiving the notification of the transfer of the share.

The redemption price shall be paid in cash, bank draft or a by a bank-endorsed cheque within one (1) month of the redemption demand or, within the specified period, deposited with the State Administrative Agency as provided in the Finnish Act on Deposit as Payment of Debt or for Release from Other Liabilities. Any disputes related to the redemption right or the redemption price shall be resolved by an arbitration procedure in accordance with the Finnish Arbitration Act.

12 §
CONSENT CLAUSE

The acquisition of a share by way of transfer requires the consent of the company. Consent is required also when the transferee of the share already holds company shares.

13 §
ARBITRATION

Any disputes between the company and the Board of Directors, member of the Board of Directors, the CEO, auditors or shareholders shall be resolved by an arbitration procedure in accordance with the Finnish Limited Liability Companies Act and the Finnish Arbitration Act.

ANNEX C

SELLERS

Seller	Address	Number of Sale Shares
Finda Oy	Logomo Byrå, Köydenpunojankatu 14, 20100 Turku	19,110,655
PHP Holding Oy	Harjukatu 30, 15110 Lahti	13,578,345
Pargas Telefon Ab—Paraisten Puhelin Oy	Malmgatan 6, 21600 Pargas	18,900
Lohjan Puhelin Oy	Suurlohjankatu 10, 08100 Lohja	1,116,450
Puhelinosuuskunta IPY	Pohjolankatu 5, 74100 Iisalmi	106,500
Jakobstadsnejdens Telefon Ab	Alholmsgatan 3, 68600 Jakobstad	356,100
Mariehamns Telefon Ab	PB 1228, 22111 Mariehamn	17,850
Anvia Oyj	Silmukkatie 6, 65100 Vaasa	1,487,700
Ålands Telefonandelslag	Hantverkargränd 1, 22150 Jomala	9,600
Karjaan Puhelin Oy	Dalgatan 7, 10300 Karis	85,650
Vakka-Suomen Puhelin	Pohjoistullinkatu 11, 23500 Uusikaupunki	62,250

THE COMPANY

DNA Oyj
Läkkisepäntie 21
FI-00620 Helsinki
Finland

JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS

Danske Bank A/S, Helsinki Branch
Hiililaiturinkuja 2
FI-00075 Helsinki
Finland

Morgan Stanley & Co. International Plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

JOINT BOOKRUNNERS

J.P. Morgan Securities plc
25 Bank Street
London E14 5JP
United Kingdom

Nordea Bank Finland plc
Satamaradankatu 5
FI-00020 Helsinki
Finland

Skandinaviska Enskilda Banken AB (publ) Helsinki branch
Unioninkatu 30
FI-00101 Helsinki
Finland

LEGAL ADVISERS

To the Company:

As to Finnish law:
Castrén & Snellman Attorneys Ltd
Eteläesplanadi 14
FI-00131 Helsinki
Finland

As to United States law:
Skadden, Arps, Slate, Meagher & Flom (UK) LLP
40 Bank Street
Canary Wharf
London E14 5DS
United Kingdom

To the Managers:

As to Finnish law:
Borenius Attorneys Ltd
Eteläesplanadi 2
FI-00130 Helsinki
Finland

As to United States law:
Shearman & Sterling (London) LLP
9 Appold Street
London, EC2A 2AP
United Kingdom

FINANCIAL ADVISOR TO THE COMPANY

Lazard & Co Ltd
50 Stratton Street
London, W1J 8LL
United Kingdom

AUDITOR

PricewaterhouseCoopers Oy
Itämerentori 2
FI-00180 Helsinki
Finland

Merrill Corporation Ltd, London
16ZCN78001