

Financial Results

2022

27 January 2023



ELISA'S FINANCIAL STATEMENT RELEASE 2022

Fourth quarter 2022 financial highlights

- Revenue increased by EUR 27m to EUR 563m, mainly due to growth in mobile and digital services.
- Mobile service revenue increased by 5.4 per cent to EUR 234m.
- Comparable EBITDA grew by EUR 7m to EUR 185m.
- Comparable EBIT increased by EUR 8m to EUR 119m.
- Comparable cash flow decreased by EUR 1m to EUR 86m.
- In Finland, mobile post-paid ARPU increased to EUR 21.5 (21.1 in the previous quarter), and mobile post-paid churn decreased to 16.2 per cent (18.6).
- During the quarter, the net increase in post-paid mobile subscriptions was 23,500. The contribution of M2M and IoT subscriptions was +35,400.
- Prepaid subscriptions decreased by 11,600 during the quarter.
- The number of fixed broadband subscriptions decreased by 1,500 during the quarter.

Key indicators

EUR million	4Q22	4Q21	Δ %	2022	2021	Δ %
Revenue	563	536	5.1 %	2,130	1,998	6.6 %
EBITDA	185	176	5.4 %	733	697	5.1 %
Comparable EBITDA ⁽¹⁾	185	178	3.9 %	735	706	4.2 %
EBIT	119	109	9.6 %	470	431	9.1 %
Comparable EBIT ⁽¹⁾	119	111	7.1 %	472	439	7.4 %
Profit before tax	115	105	9.8 %	456	418	9.0 %
Comparable PBT ⁽¹⁾	115	108	7.2 %	458	427	7.3 %
EPS, EUR	0.60	0.54	11.5 %	2.33	2.15	8.8 %
Comparable EPS, EUR	0.60	0.55	8.9 %	2.34	2.19	7.2 %
Capital expenditure	97	82	19.3 %	290	265	9.3 %
Net debt	1,276	1,219	4.6 %	1,276	1,219	4.6 %
Net debt / EBITDA ⁽²⁾	1.7	1.7		1.7	1.7	
Gearing ratio, %	101.9 %	101.2 %		101.9 %	101.2 %	
Equity ratio, %	40.6 %	39.9 %		40.6 %	39.9 %	
Cash flow ⁽³⁾	86	85	1.3 %	300	322	-6.7 %
Comparable Cash flow ⁽⁴⁾	86	87	-1.7 %	321	338	-5.0 %

¹⁾ 2022 excluding EUR 2m in restructuring costs; 4Q21 excluding EUR 3m and 2021 excluding EUR 8m in restructuring costs. ²⁾ (Interest-bearing debt – financial assets) / (four previous quarters' comparable EBITDA). ³⁾ Cash flow before financing activities.

⁴⁾ 2022 excluding EUR 21m in share investments; 4Q21 excluding EUR 2m and 2021 excluding EUR 16m in share investments.

The Board of Directors proposes to the Annual General Meeting a dividend of EUR 2.15 per share. The Board of Directors also decided to propose an authorisation to acquire a maximum of 5 million treasury shares, which corresponds to 3 per cent of the total shares.

Additional key performance indicators are available at elisa.com/investors (Elisa Operational Data.xlsx).

CEO's review:

Another strong year driven by our solid strategy

Elisa continued its solid development. In the fourth quarter, revenue increased by 5 per cent from the previous year to EUR 563 million. Comparable EBITDA improved by 4 per cent to EUR 185 million and comparable earnings per share by 9 per cent to EUR 0.60. Despite geopolitical challenges and increasing uncertainties, all of our businesses have had excellent performance.

Our long-term strategy and operational capability have enabled us to deliver stable financial results in all our business areas. Elisa is not immune to increasing energy costs; however, due to comprehensive hedging, the negative impact of increasing energy prices was moderate.

In 2022, Elisa continued its strong leadership in the development of 5G. In Finland, 5G network coverage reached 227 locations, serving more than 86 per cent of Finns. In Estonia, after winning the 5G frequency auctions, we were the first operator to open a 5G network, with our 3.5 GHz frequency for commercial use already running in the summer. By the end of the year, our 5G coverage reached 70 per cent of Estonians.

We have systematically improved energy efficiency in our network with continuous network optimisation and automation, and by utilising the latest network technologies. In 2022, our network energy efficiency improved by 5.7 per cent, and since 2016, we have improved energy efficiency in our Finnish mobile network by 78 per cent. We have begun the ramp-down of the 3G network in Finland and will finalise the work during 2023. Almost all mobile data usage has already moved to modern, more energy-efficient networks.

The home broadband market is developing favourably, supported by different solutions. For example, Elisa continued actively investing in its optical fibre network. High-speed connections from Elisa are already available to more than a million locations via optical fibre or a cable modem. The fixed wireless network service also continued to grow.

The international digital services business progressed well during the quarter, as revenues and the order backlog grew strongly. We continuously pilot new innovations in our home markets. One of the latest ones is our distributed energy storage solution, which utilises our mobile base station battery capacity to save on our own energy costs, and also enables us to offer electricity grid balancing services to transmission system operators. This innovation is an example of how our mission – a sustainable future through digitalisation – fuels our solution and business development.

As the next step in our continuous sustainability improvement work, our long-term environmental and energy management systems received ISO 14001 and ISO 50001 certification. Elisa's climate reporting score improved to A- in CDP (the global climate impact disclosure system), to which we have been reporting systematically since 2011.

We will continue to focus strongly on continuous improvement of the customer experience and quality. Increasing productivity, expanding our digital services internationally and creating value with data, as well as our strong investment capability, continue to lay a solid foundation for competitively creating value in the future.

Veli-Matti Mattila

CEO

FINANCIAL STATEMENTS RELEASE 2022

This Financial Statements Release has been prepared in accordance with the IAS 34 standard.

Market situation

The competitive environment has been active, especially in 4G subscriptions. The post-COVID-19 situation has continued to impact the market situation to some extent. The amount of travel to Asia is still very limited. On the other hand, the usage of mobile services has continued to evolve favourably. Brisk demand for 5G services has also continued due to the wider range of 5G devices and better network coverage. Also, the current geopolitical situation has increased the demand for cybersecurity services. Competition in the fixed broadband market has continued to be intense in multi-dwelling units, and the number and usage of traditional fixed network subscriptions is decreasing.

The markets for IT services have continued to develop favourably. The IPTV entertainment services market is growing, while competition in streaming services is keen. Demand for other digital services is also growing well.

Revenue, earnings and financial position

EUR million	4Q22	4Q21	Δ %	2022	2021	Δ %
Revenue	563	536	5.1 %	2,130	1,998	6.6 %
EBITDA	185	176	5.4 %	733	697	5.1 %
EBITDA-%	32.9 %	32.8 %		34.4 %	34.9 %	
Comparable EBITDA ⁽¹⁾	185	178	3.9 %	735	706	4.2 %
Comparable EBITDA-%	32.9 %	33.3 %		34.5 %	35.3 %	
EBIT	119	109	9.6 %	470	431	9.1 %
EBIT-%	21.2 %	20.3 %		22.1 %	21.6 %	
Comparable EBIT ⁽¹⁾	119	111	7.1 %	472	439	7.4 %
Comparable EBIT-%	21.2 %	20.8 %		22.2 %	22.0 %	
Return on equity, %	30.4 %	28.8 %		30.4 %	28.8 %	

¹⁾ 2022 excluding EUR 2m in restructuring costs. 4Q21 excluding EUR 3m and 2021 excluding EUR 8m in restructuring costs.

Fourth quarter 2022

Revenue increased by 5 per cent, mostly due to growth in mobile, fixed and digital services as well as equipment sales. Decreased usage and subscriptions of traditional fixed (PSTN) telecom services and a decrease in interconnection revenue affected revenue negatively. Comparable EBITDA increased by 4 per cent. Efficiency improvements and revenue growth impacted EBITDA positively. Comparable EBIT grew by 7 per cent.

Net financial income and expenses were EUR -4 million (-3). Income taxes in the income statement amounted to EUR -20 million (-19). Net profit was EUR 96 million (86), and earnings per share were EUR 0.60 (0.54).

Year 2022

Revenue increased by 7 per cent on the previous year, mainly due to growth in mobile, fixed and digital services, as well as equipment sales. Decreases in usage and subscriptions of traditional fixed telecom services and in interconnection revenue affected revenue negatively. Comparable EBITDA increased by 4 per cent and comparable EBIT by 7 per cent, mainly due to revenue growth and efficiency improvement measures.

Net financial income and expenses were EUR -13 million (-12). Income taxes in the income statement were EUR -83 million (-75). Net profit was EUR 373 million (343), and earnings per share were EUR 2.33 (2.15). Comparable earnings per share were EUR 2.34 (2.19).

Financial position

EUR million	4Q22	4Q21	Δ %	2022	2021	Δ %
Net debt	1,276	1,219	4.6 %	1,276	1,219	4.6 %
Net debt / EBITDA ⁽¹⁾	1.7	1.7		1.7	1.7	
Gearing ratio, %	101.9 %	101.2 %		101.9 %	101.2 %	
Equity ratio, %	40.6 %	39.9 %		40.6 %	39.9 %	
Cash flow ⁽²⁾	86	85	1.3 %	300	322	-6.7 %
Comparable cash flow ⁽³⁾	86	87	-1.7 %	321	338	-5.0 %

¹⁾ (Interest-bearing debt – financial assets) / (four previous quarters' comparable EBITDA) ²⁾ Cash flow before financing activities.

³⁾ 2022 excluding EUR 21m in share investments; 4Q21 excluding EUR 2m in share investments and 2021 excluding EUR 16m in share investments.

Fourth quarter 2022

Net debt increased by 5 per cent to EUR 1,276 million. Comparable cash flow after investments decreased by 2 per cent to EUR 86 million. Cash flow was positively affected by increased EBITDA and a change in net working capital, and negatively by higher capital expenditure and taxes.

The financial position and liquidity are strong. Cash and undrawn committed credit lines totalled EUR 385 million at the end of the quarter.

Year 2022

Comparable cash flow after investments decreased by 5 per cent to EUR 321 million. The negative change in net working capital, higher taxes paid, higher capital expenditure and the fee paid for the Estonian 5G licences affected cash flow negatively, while higher EBITDA had positive effect.

Changes in corporate structure

In March, Elisa acquired FRINX s.r.o, a Slovak telecom network automation software supplier. FRINX products and software complement Elisa Polystar's zero-touch automation and analytics offering, which helps communications service providers to comprehensively automate their network management processes in a multivendor telecom network environment.

In August, Elisa acquired Cardinality Ltd, a UK-based global supplier of cloud-native data management (DataOps), service assurance and customer experience analytics. The acquisition is consistent with Elisa's strategy to grow digital services internationally and accelerate development of its telecom software business under Elisa Polystar.

Consumer Customers business

EUR million	4Q22	4Q21 ⁽¹⁾	Δ %	2022	2021 ⁽¹⁾	Δ %
Revenue	339	327	3.7 %	1,301	1,243	4.7 %
EBITDA	123	118	4.8 %	496	476	4.1 %
EBITDA-%	36.3 %	35.9 %		38.1 %	38.3 %	
Comparable EBITDA ⁽²⁾	123	118	4.0 %	497	479	3.8 %
Comparable EBITDA-%	36.3 %	36.2 %		38.2 %	38.6 %	
EBIT	80	74	7.8 %	322	302	6.5 %
EBIT-%	23.5 %	22.6 %		24.7 %	24.3 %	
Comparable EBIT ⁽²⁾	80	75	6.5 %	323	305	6.0 %
Comparable EBIT-%	23.5 %	22.9 %		24.9 %	24.6 %	
CAPEX	62	54	15.1 %	191	169	12.9 %

¹⁾ Allocation rules between segments were specified in 2022, and the comparable figures have been updated. ²⁾ 2022 excluding EUR 1.6m, 4Q21 excluding EUR 0.9m, and 2021 excluding EUR 3.2m in restructuring costs.

Fourth quarter 2022

Revenue increased by 4 per cent. Revenue was positively affected by growth in mobile, fixed and digital services as well as in equipment sales. Decreases in interconnection revenue and in usage and subscriptions of traditional fixed telecom services affected revenue negatively. Comparable EBITDA increased by 4 per cent, mainly due to revenue growth and efficiency improvements.

Year 2022

Revenue increased by 5 per cent. Mobile and digital services as well as equipment sales affected revenue positively, while it was negatively affected by interconnection revenue and the decrease in traditional fixed telecom services. Comparable EBITDA increased by 4 per cent, mainly due to revenue growth and efficiency improvement measures.

Corporate Customers business

EUR million	4Q22	4Q21 ⁽¹⁾	Δ %	2022	2021 ⁽¹⁾	Δ %
Revenue	223	208	7.2 %	829	755	9.7 %
EBITDA	62	58	6.5 %	238	221	7.3 %
EBITDA-%	27.6 %	27.8 %		28.7 %	29.3 %	
Comparable EBITDA ⁽²⁾	62	60	3.6 %	238	227	5.0 %
Comparable EBITDA-%	27.6 %	28.6 %		28.7 %	30.0 %	
EBIT	39	35	13.5 %	148	129	15.0 %
EBIT-%	17.6 %	16.6 %		17.9 %	17.1 %	
Comparable EBIT ⁽²⁾	39	36	8.3 %	148	134	10.8 %
Comparable EBIT-%	17.6 %	17.4 %		17.9 %	17.7 %	
CAPEX	35	27	27.8 %	99	96	2.9 %

¹⁾ Allocation rules between segments were specified in 2022, and the comparable figures have been updated. ²⁾ 2022 excluding EUR 0.4m, 4Q21 excluding EUR 1.6m, and 2021 excluding EUR 5.2m in restructuring costs.

Fourth quarter 2022

Revenue grew by 7 per cent. Revenue was positively affected by growth in mobile, fixed and digital services and equipment sales as well as by the Frinx and Cardinality acquisitions. Decreases in traditional fixed services and interconnection revenue affected revenue negatively. Comparable EBITDA increased by 4 per cent, mainly due to revenue growth and efficiency improvements.

Year 2022

Revenue increased by 10 per cent. Revenue was positively affected by growth in mobile, fixed and digital services and equipment sales as well as the Frinx and Cardinality acquisitions, whereas the decrease in traditional fixed services and interconnection revenue had a negative effect. Comparable EBITDA increased by 5 per cent, mainly due to revenue growth and efficiency improvements.

Investments

EUR million	4Q22	4Q21	2022	2021
Capital expenditure ⁽¹⁾ , of which	97	82	290	265
Consumer Customers	62	54	191	169
Corporate Customers	35	27	99	96
Shares and business acquisitions	0	3	25	28
Total investments	97	84	314	293
Licences	2		9	
Leases	7	7	26	18
Capital expenditure excluding leases, licences and business acquisitions	88	75	255	247
Capital expenditure as % of revenue	16	14	12	12

¹⁾ 2022 includes EUR 7m for the 3.5 GHz and EUR 2m for the 700 MHz frequency licence investments in Estonia.

The main capital expenditures related to the capacity and coverage increases in the 5G and 4G networks, as well as to other network and IT investments.

Personnel

In 2022, the average number of personnel at Elisa was 5,523 (5,391) and employee expenses totalled EUR 395 million (374). Personnel by segment at the end of the period:

	2022	2021
Consumer Customers	2,939	2,845
Corporate Customers	2,684	2,526
Total	5,623	5,371

The growth in personnel was mainly due to the Frinx and Cardinality acquisitions as well as increase in own sales channels.

Sustainability

Key ESG indicators	4Q22	4Q21
Mobile network energy efficiency in Finland		
Change in energy consumption per GB from Q4 2021 level	-5.7 %	-
Population coverage of >100 Mbps connections in Finland	86.2 %	72.6 %
Proportion of female supervisors	29.6 %	27.4 %
Patent portfolio development		
Size of active patent portfolio ¹⁾	337	265
Number of first applications	12	19

¹⁾ Number of active patent applications and patents.

All key figures will be published in our assured annual sustainability report:

<https://elisa.com/corporate/investors/annual-report/>

More key figures:

<https://elisa.com/corporate/investors/financial-key-figures/sustainability-key-figures/>

Financing arrangements and ratings

EUR million	Maximum amount	In use on 31 Dec 2022
Committed credit limits	300	0
Credit facility (not committed)	100	0
Commercial paper programme (not committed)	350	125
EMTN programme (not committed)	1,500	900

Long term credit ratings	Rating	Outlook
Credit rating agency		
Moody's Investor Services	Baa2	Stable
S&P Global Ratings	BBB+	Stable

Share

Share trading volumes are based on trades made on the Nasdaq Helsinki and alternative marketplaces. Closing prices are based on the Nasdaq Helsinki.

Trading of shares	4Q22	4Q21	2022	2021
Nasdaq Helsinki, millions	15.2	16.7	71.2	81.6
Other marketplaces, millions ¹⁾	42.6	36.8	208.4	167.3
Total volume, millions	57.8	53.5	279.6	248.9
Value, EUR million	2,841.2	2,870.9	14,575.8	12,698.1
% of shares	34.5 %	32.0 %	167.1 %	148.7 %

Shares and market values	2022	2021
Total number of shares	167,335,073	167,335,073
Treasury shares	7,075,378	7,147,772
Outstanding shares	160,259,695	160,187,301
Closing price, EUR	49.46	54.12
Market capitalisation, EUR million	8,276	9,056
Treasury shares, %	4.23 %	4.27 %

Number of shares	Total	Treasury	Outstanding
Shares on 31 Dec 2021	167,335,073	7,147,772	160,187,301
Performance Share Plan 1 Feb 2022 ²⁾		-72,394	72,394
Shares on 31 Dec 2022	167,335,073	7,075,378	160,259,695

¹⁾ Other marketplaces: based on Bloomberg. ²⁾ Stock exchange release, 1 February 2022.

On 1 February 2022, Elisa transferred 72,394 treasury shares to people involved in the Performance Share Plan for the period 2019–2021.

In July, Elisa decided on two vesting periods of the Restricted Share Plan 2019. The first vesting period, with a total allocation of 2,500 shares, ends on 31 August 2023; the second, with 8,000 shares, ends on 31 December 2023. The purpose of using the Plan is to engage a number of key persons in Elisa businesses.

Research and development

The majority of the service development occurs during the ordinary course of business and is accounted for as a normal operating expense. Elisa invested EUR 21 million (16) in research and development, of which EUR 8 million (7) was capitalised in 2022, corresponding to 1.0 per cent (0.8) of revenue.

Annual General Meeting 2022

On 6 April 2022, Elisa's Annual General Meeting decided to pay a dividend of EUR 2.05 per share based on the adopted financial statements for 31 December 2021. The dividend was paid on 20 April 2022 to the shareholders registered in the company's shareholder register maintained by Euroclear Finland Ltd on 8 April 2022.

The Annual General Meeting adopted the financial statements for 2021. The members of the Board of Directors and the CEO were discharged from liability for 2021. The Annual General Meeting approved the Remuneration Report of the Company's governing bodies for 2021.

The number of the members of the Board of Directors was confirmed at nine. Ms Clarisse Berggårdh, Mr Maher Chebbo, Mr Kim Ignatius, Mr Topi Manner, Ms Eva-Lotta Sjöstedt, Mr Anssi Vanjoki and Mr Antti Vasara were re-elected as members of the Board of Directors, and Ms Katariina Kravi and Ms Pia Kåll as new members of the Board of Directors. Mr Anssi Vanjoki was appointed as the Chair and Ms Clarisse Berggårdh as the Deputy Chair of the Board of Directors.

The Annual General Meeting decided that the amount of annual remuneration for the members of the Board of Directors and remuneration for meeting participation be changed. The Chair is paid annual remuneration of EUR 130,000, the Deputy Chair and the Chairs of the Committees EUR 85,000, and other Board members EUR 70,000. Additionally, members are paid EUR 800 per meeting of the Board and of a committee; however, if a Board member is physically present at a Board or Committee meeting that is held in a country other than his/her permanent home country, the meeting fee is EUR 1,600.

KPMG Oy Ab, Authorised Public Accountants Organisation, was re-elected as the company's auditor. Toni Aaltonen, APA, is the responsible auditor.

Composition of the Committees of the Elisa's Board of Directors

The Board of Directors held its organising meeting and appointed Ms Clarisse Berggårdh (chair), Mr Maher Chebbo, Ms Katariina Kravi, and Ms Eva-Lotta Sjöstedt to the People and Compensation Committee. Mr Kim Ignatius (chair), Ms Pia Kåll, Mr Topi Manner and Mr Antti Vasara were appointed to the Audit Committee.

Authorisations of the Board of Directors

The Annual General Meeting decided to authorise the Board of Directors to resolve to repurchase or accept as pledge the company's own shares. The repurchase may be directed. The number of shares under this authorisation is 5 million shares at maximum. The authorisation is valid for 18 months from the date of the resolution of the General Meeting.

The Annual General Meeting decided to authorise the Board of Directors to pass a resolution concerning the share issue, the right of assignment of treasury shares and/or the granting of special rights referred to in the Companies Act. The authorisation entitles the Board of Directors to execute the issue as directed. The number of shares under this authorisation is 15 million shares at maximum. The authorisation is valid for 18 months from the date of the resolution of the General Meeting.

Elisa Shareholders' Nomination Board

The biggest shareholders were determined according to the shareholder register of Elisa on 31 August 2022, and they named the members of the Nomination Board. The composition of the Nomination Board since September 2022 has been as follows:

- Mr Pauli Anttila, Investment Director, nominated by Solidium Oy
- Mr Jouko Pölönen, President and CEO, nominated by Ilmarinen Mutual Pension Insurance Company
- Mr Markus Aho, Chief Investment Officer, nominated by Varma Mutual Pension Insurance Company
- Ms Hanna Hiidenpalo, Chief Investment Officer, Deputy CEO, nominated by Elo Mutual Pension Insurance Company
- Mr Anssi Vanjoki, Chair of the Board of Elisa

The Nomination Board elected from amongst its members Mr Pauli Anttila as the chair.

Elisa's Shareholders' Nomination Board was established in 2012 by the Annual General Meeting. Its duty is to prepare proposals for the election and remuneration of the members of the Board of Directors of Elisa for the Annual General Meeting.

Significant legal and regulatory issues

In May 2022, Elisa achieved its target in the Estonian auction for the 3.5 GHz spectrum, winning 130 MHz of spectrum. The new spectrum is being used to build Elisa's 5G network.

The European Union "roam like at home" (RLAH) regulation was extended until 2032.

In July 2020, Tucana Telecom NV initiated legal proceedings against Polystar OSIX AB in the Business Court of Brussels with a claim of infringement of exclusivity included in a distribution agreement and also of wrongful termination of the distribution agreement. This case has been resolved pursuant to a judgement issued on 10 June 2022. The claim against Polystar OSIX AB was dismissed in full by the court, and no compensation or damages were consequently awarded to the claimant. The decision has been appealed.

Elisa has returned the 2,100 MHz frequency licence in the province of the Åland Islands, and its validity expired on 1 June 2022.

In November 2022, Elisa achieved its target in the Estonian auction for 700 MHz spectrum, winning 2×10 MHz of spectrum. The new spectrum is being used to build Elisa's 5G network in Estonia.

After a tax audit on foreign dividend withholding tax, Elisa received a decision in April 2021 according to which it is required to pay a total of EUR 1.7 million in allegedly wrongly levied withholding taxes relating to the years 2015 and 2016. The assessment adjustment board of the Finnish tax authority gave a ruling in November 2022 in favour of Elisa. The ruling has been appealed by the tax recipient's office (Veronsaajien oikeudenvallontayksikkö) and is therefore not final and binding.

In November 2021, the Estonian parliament adopted amendments to the Electronic Communications Act aimed at supplementing national security requirements. The amendments entered into force on 1 February 2022. Based on the amendments, on 25 November 2022, the Estonian Consumer Protection and Technical Regulatory Authority issued a decision stating that usage of Huawei hardware and software in 5G mobile networks in Estonia is allowed only until 31 December 2025 and until 31 December 2029 in earlier generation (2G–4G) networks and fixed networks. On 1 December 2022, Elisa appealed the decision to the Estonian Administrative Court, as Elisa is forced to replace the Huawei hardware and software currently used in its networks, but there is no compensation system in place.

Substantial risks and uncertainties associated with Elisa's operations

Risk management is part of Elisa's internal control system. It aims to ensure that risks affecting the company's business are identified, influenced and monitored. The company classifies risks into strategic, operational, hazard and financial risks.

Strategic and operational risks:

The telecommunications industry is intensely competitive in Elisa's main market areas, which may have an impact on Elisa's business. The telecommunications industry is subject to heavy regulation. Elisa and its businesses are monitored and regulated by several public authorities. This regulation also affects the price level of some products and services offered by Elisa and may also require investments that have long payback times.

Elisa processes different kinds of data, including personal and traffic data. Therefore, the applicable data protection legislation, especially the General Data Protection Regulation, has a significant impact on Elisa and its businesses.

The rapid developments in telecommunications technology may have a significant impact on Elisa's business.

Changes in governmental relationships, including in the security environment, may increase the risk of restrictions being imposed on equipment from particular network providers that is also used in Elisa's network. This could have financial or operational impacts on Elisa's business.

Elisa's main market is Finland, where the number of mobile phones per inhabitant is among the highest in the world and growth in subscriptions is therefore limited. Furthermore, the volume of phone traffic on the fixed network has been decreasing during recent years. These factors may limit opportunities for growth. New international business expansion and possible future acquisitions abroad may increase risks.

Elisa is liable to pay direct and indirect taxes and withholding taxes in the countries in which it operates. The tax authorities have taken a slightly more intense approach to tax inspection of late. Tax payments may be challenged by local tax authorities, and this may have a negative financial impact on Elisa.

There is an increasing level of uncertainty relating to Russia's war in Ukraine. This is expected to affect the general economic environment, e.g. inflation and energy prices. Challenges in global supply chains may also result in uncertainties in volumes and prices. Disturbances related to running infrastructure may also occur, for example due to cyber incidents. Elisa's business in Russia was not essential, and Elisa has withdrawn from the Russian market.

Hazard risks:

The company's core operations are covered by insurance against damage and interruptions caused by accidents and disasters. Accident risks also include litigation and claims.

The direct and indirect effects of the coronavirus (COVID-19) pandemic are uncertain. If the pandemic continues for a prolonged period, this may significantly contribute to a slowdown in economic growth, which may have negative effects on Elisa through customer demand, suppliers' security of supply and employee health. Elisa has adapted its operations and taken many proactive measures due to the COVID-19 pandemic, e.g. more intensive follow-up of customer demand for existing services, as well as emerging demand for new business opportunities. Also, the company has moved to hybrid working in the duties where that is possible.

Financial risks:

In order to manage the interest rate risk, the Group's loans and investments are diversified into fixed- and variable-rate instruments. Interest rate swaps can be used to manage the interest rate risk.

As most of Elisa's operations and cash flow are denominated in euros, the exchange rate risk is minor. Currency derivatives can be used to manage the currency risk.

The objective of liquidity risk management is to ensure the Group's financing in all circumstances. Elisa has cash reserves, committed credit facilities and a sustainable cash flow to cover its foreseeable financing needs.

Liquid assets are invested within confirmed limits in financially solid banks, domestic companies and institutions. Credit risk concentrations in accounts receivable are minor, as the customer base is broad.

COVID-19, Russia's war in Ukraine and higher inflation have increased volatility in the financial markets. This might have an effect on Elisa's ability to raise funds and increase financing costs.

A detailed description of financial risk management can be found in Note 7.1 to the Annual Report 2021.

Energy price and inflation

The increases in energy prices and inflation have impacted the market. In Finland, however, the effects of these have been less severe than in many other European markets. Elisa has hedged against electricity

price increases well and continues to develop energy efficiency measures. Cost efficiency and price changes are expected to mitigate the economic impacts of energy price increases and inflation.

Corporate responsibility and non-financial reporting

Elisa's business operations and digitalisation solutions contribute to sustainable development and to environmentally friendly actions among its customers and society. Elisa is committed to the principles of the UN Global Compact in its business operations, and we have identified our contribution to the UN Sustainable Development Goals. Elisa has a strong track record and long-term commitment in environmental work. As a result, Elisa is carbon neutral and has set ambitious climate goals aligned with the Paris Climate Agreement and in accordance with the requirements of the Science Based Targets initiative.

Sustainability has been part of Elisa's strategy for over ten years. Our sustainability targets for 2022–2024 emphasise the importance of Elisa's handprint, focusing on the availability of fast connections, cybersecurity, increasing its carbon handprint, the energy efficiency of the mobile network, innovations and promoting equality.

Elisa will publish its tenth assured sustainability report as part of the Annual Report 2022 during week 11 (beginning 13 March 2023). The sustainability report has been prepared according to the Global Reporting Initiative Standards, including data related to the Task Force on Climate-related Financial Disclosures (TCFD) and selected indicators from the SASB Telecommunication Services Standard. The report meets the requirements for non-financial reporting, including information with the EU Taxonomy Regulation. The report includes medium-term targets, performance and metrics.

In recognising Elisa's material corporate responsibility, the most important financial, social and environmental effects and risks of the company, as well as other significant trends affecting the industry, have been taken into account. The management's description of corporate responsibility is available on the company website.

2022 Corporate Governance Statement, Remuneration Report and Annual Report

Elisa's Corporate Governance Statement and Remuneration Report for 2022 will be published during week 5 (beginning 30 January). Elisa will publish its 2022 Annual Report, which includes the report by the Board of Directors, Financial Statements, Non-financial Report, Corporate Governance Statement and Remuneration Report, during week 11 (beginning 13 March) on the company website at elisa.com.

Events after the reporting period

There were no substantial events after the reporting period.

Outlook and guidance for 2023

The development of the general economy includes many uncertainties. Growth in the Finnish economy is expected to stall. In particular, uncertainty relating to Russia's war in Ukraine, such as inflation and energy prices, is continuing. Challenges in global supply chains may also result in uncertainties in volumes and prices. Competition in the Finnish telecommunications market remains keen.

Full-year revenue is estimated to be at the same level or slightly higher than in 2022. Mobile data and digital services are expected to increase revenue. Full-year comparable EBITDA is anticipated to be at the same level or slightly higher than in 2022. However, the EBITDA growth potential is more challenging in the first half of the year. Capital expenditure is expected to be a maximum of 12 per cent of revenue.

Elisa is continuing its productivity improvement development, for example by increasing automation and data analytics in different processes, such as customer interaction, network operations and delivery. Additionally, Elisa's continuous quality improvement measures will increase customer satisfaction and efficiency and reduce costs.

Elisa's transformation into a provider of exciting, new and relevant services for its customers is continuing. Long-term revenue growth and profitability improvement will derive from growth in the mobile data market, as well as domestic and international digital services.

Profit distribution

According to Elisa's distribution policy, profit distribution is 80–100 per cent of the previous fiscal year's net profit. In addition, any excess capital can be distributed to shareholders. When making the distribution proposal or decision, the Board of Directors will take into consideration the company's financial position, future financial needs and financial targets. Profit distribution includes dividend payment, capital repayment and purchase of treasury shares.

The Board of Directors proposes to the Annual General Meeting a dividend of EUR 2.15 per share. The dividend payment corresponds to 92 per cent of the financial period's comparable net profit.

Shareholders who are listed in the company's register of shareholders maintained by Euroclear Finland Ltd on 11 April 2023 are entitled to funds distributed by the General Meeting. The Board of Directors proposes that the payment date be 19 April 2023. The profit for the period will be added to retained earnings.

The Board of Directors also decided to propose to the General Meeting that the Board of Directors be authorised to acquire a maximum of five million treasury shares, which corresponds to 3 per cent of the total shares.

BOARD OF DIRECTORS

The annual financial statements figures presented in this release are based on the company's audited financial statements. The auditor's report was issued on 26 January 2023.

Consolidated income statement

EUR million	Note	10-12 2022	10-12 2021	1-12 2022	1-12 2021
Revenue	1	562.6	535.5	2,129.5	1,997.9
Other operating income		3.5	1.8	6.9	9.0
Materials and services		-223.9	-212.2	-820.8	-763.6
Employee expenses		-108.0	-100.4	-394.8	-373.8
Other operating expenses		-49.3	-49.2	-187.5	-172.2
EBITDA	1	184.9	175.5	733.3	697.4
Depreciation, amortisation and impairment	1	-65.8	-66.8	-263.4	-266.6
EBIT	1	119.1	108.7	469.8	430.8
Financial income		0.6	0.9	5.6	4.6
Financial expenses		-4.5	-4.4	-18.7	-16.5
Share of associated companies' profit		0.1	-0.2	-0.7	-0.5
Profit before tax		115.3	105.0	456.0	418.4
Income taxes		-19.7	-19.0	-83.2	-74.9
Profit for the period		95.6	86.0	372.8	343.5
Attributable to					
Equity holders of the parent		96.0	86.0	374.1	343.6
Non-controlling interests		-0.3	0.0	-1.3	-0.2
		95.6	86.0	372.8	343.5
Earnings per share (EUR)					
Basic		0.60	0.54	2.33	2.15
Diluted		0.60	0.54	2.33	2.15
Average number of outstanding shares (1000 shares)					
Basic		160,260	160,187	160,253	160,174
Diluted		160,417	160,187	160,410	160,174

Consolidated statement of comprehensive income

Profit for the period	95.6	86.0	372.8	343.5
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge	-5.1	0.6	-0.3	0.9
Translation differences	-2.8	-0.2	-4.7	-1.2
	-7.9	0.3	-5.1	-0.3
Items that are not reclassified subsequently to profit or loss				
Remeasurements of the net defined benefit liability	0.4	-2.8	0.4	-2.8
Total comprehensive income	88.1	83.6	368.0	340.4
Total comprehensive income attributable to				
Equity holders of the parent	88.5	83.6	369.3	340.5
Non-controlling interest	-0.5	0.0	-1.3	-0.1
	88.1	83.6	368.0	340.4

Consolidated statement of financial position

EUR million	Note	31.12. 2022	31.12. 2021
Non-current assets			
Property, plant and equipment	3	766.7	752.7
Right-of-use assets	3	90.4	91.0
Goodwill	3	1,157.3	1,139.4
Intangible assets	3	210.5	198.1
Investments in associated companies	12	9.9	10.6
Other financial assets	4	16.2	16.4
Trade and other receivables	4	116.8	103.2
Deferred tax assets		13.1	13.1
		2,380.9	2,324.5
Current assets			
Inventories		95.5	82.8
Trade and other receivables		537.1	506.3
Tax receivables		1.8	0.7
Cash and cash equivalents		85.4	114.1
		719.9	703.9
Total assets	1	3,100.8	3,028.4
Equity attributable to equity holders of the parent			
	6	1,246.5	1,197.8
Non-controlling interests			
		5.4	6.3
Total shareholders' equity			
		1,251.9	1,204.1
Non-current liabilities			
Deferred tax liabilities		25.7	25.3
Interest-bearing financial liabilities	4, 7	995.0	1,141.4
Lease liabilities, interest-bearing	4	70.8	73.4
Trade payables and other liabilities	4, 5	30.3	41.0
Pension obligations		12.9	14.4
Provisions	8	2.9	2.8
		1,137.7	1,298.3
Current liabilities			
Interest-bearing financial liabilities	4, 7	275.0	100.2
Lease liabilities, interest-bearing	4	20.4	18.1
Trade and other payables	4, 5	412.9	401.6
Tax liabilities		2.1	2.9
Provisions	8	0.8	3.1
		711.2	526.0
Total equity and liabilities		3,100.8	3,028.4

Condensed consolidated cash flow statement

EUR million	1-12 2022	1-12 2021
Cash flow from operating activities		
Profit before tax	456.0	418.4
Adjustments		
Depreciation, amortisation and impairment	263.4	266.6
Other adjustments	-5.2	-2.9
	258.2	263.7
Change in working capital		
Increase (-) / decrease (+) in trade and other receivables	-16.2	-31.7
Increase (-) / decrease (+) in inventories	-13.3	-17.6
Increase (+) / decrease (-) in trade and other payables	2.0	52.6
	-27.5	3.3
Financial items, net	-10.0	-14.0
Taxes paid	-85.0	-75.7
Net cash flow from operating activities	591.8	595.7
Cash flow from investing activities		
Capital expenditure	-270.9	-258.8
Investments in shares and business combinations	-21.0	-15.7
Loans granted		-0.5
Repayment of loan receivables	0.1	
Proceeds from disposal of assets	-0.1	0.8
Net cash used in investing activities	-291.9	-274.1
Cash flow before financing activities	299.9	321.6
Cash flow from financing activities		
Proceeds from long-term borrowings		100.4
Repayments of long-term borrowings	-100.3	-174.1
Increase (+) / decrease (-) in short-term borrowings	124.8	-19.6
Repayment of lease liabilities	-24.9	-23.1
Dividends paid	-328.1	-310.9
Net cash used in financing activities	-328.5	-427.4
Change in cash and cash equivalents	-28.6	-105.8
Translation differences	-0.1	-0.2
Cash and cash equivalents at beginning of period	114.1	220.1
Cash and cash equivalents at end of period	85.4	114.1

Consolidated statement of changes in equity

EUR million	Share capital	Treasury shares	Reserve for invested non-restricted equity	Other reserves	Retained earnings	Non-controlling interests	Total equity
Balance at 1 January 2021	83.0	-128.4	90.9	375.7	761.5	1.5	1,184.2
Profit for the period					343.6	-0.2	343.5
Translation differences					-1.2	0.1	-1.2
Cash flow hedge				0.9			0.9
Remeasurements of the net defined benefit liability				-2.8			-2.8
Total comprehensive income				-1.9	342.4	-0.1	340.4
Dividend distribution					-312.4	-0.1	-312.5
Share-based compensation		2.3					2.3
Acquisition of subsidiary with non-controlling interests						5.1	5.1
Other changes					-15.5		-15.5
Balance at 31 December 2021	83.0	-126.1	90.9	373.9	776.1	6.3	1,204.1
EUR million							
Balance at 1 January 2022	83.0	-126.1	90.9	373.9	776.1	6.3	1,204.1
Profit for the period					374.1	-1.3	372.8
Translation differences					-4.8	0.0	-4.7
Cash flow hedge				-0.3			-0.3
Remeasurements of the net defined benefit liability				0.4			0.4
Total comprehensive income				0.0	369.3	-1.3	368.0
Dividend distribution					-328.5	-0.1	-328.7
Share-based compensation		1.6					1.6
Acquisition of subsidiary with non-controlling interests						0.5	0.5
Other changes					6.4		6.4
Balance at 31 December 2022	83.0	-124.5	90.9	373.9	823.2	5.4	1,251.9

Notes

ACCOUNTING PRINCIPLES

The interim report has been prepared in compliance with IAS 34 *Interim Financial Reporting*. The information has been prepared in accordance with the International Financial Reporting Standards (IFRS) effective at the time of preparation and adopted for use by the European Union. Apart from the changes in accounting principles stated below, the accounting principles applied in the interim report are the same as in the financial statements on 31 December 2021.

Changes in the accounting principles

Amendments to IFRS standards adopted as of 1 January 2022 do not have a material impact on the Company's consolidated financial statements.

1. Segment information

10-12/2022	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	items	total
Revenue	339.2	223.4		562.6
EBITDA	123.2	61.8		184.9
Depreciation, amortisation and impairment	-43.4	-22.5		-65.8
EBIT	79.8	39.3		119.1
Financial income			0.6	0.6
Financial expenses			-4.5	-4.5
Share of associated companies' profit			0.1	0.1
Profit before tax				115.3
Investments	62.4	34.8		97.3
10-12/2021	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	items	total
Revenue ⁽¹⁾	327.2	208.4		535.5
EBITDA ⁽¹⁾	117.5	58.0		175.5
Depreciation, amortisation and impairment ⁽¹⁾	-43.5	-23.3		-66.8
EBIT ⁽¹⁾	74.0	34.7		108.7
Financial income			0.9	0.9
Financial expenses			-4.4	-4.4
Share of associated companies' profit			-0.2	-0.2
Profit before tax				105.0
Investments	54.2	27.3		81.5

¹⁾ Allocation rules of the revenue and expenses allocated to the segments have been specified in 2022 and the comparable figures have been updated to reflect the advanced allocations. In the comparison period 10-12/2021, Consumer Customers revenue was EUR 327.0 million; EBITDA was EUR 117.9 million; depreciation, amortisation and impairment totalled EUR -39.8 million; and EBIT was EUR 78.1 million. In the comparison period 10-12/2021, Corporate Customers revenue was EUR 208.6 million; EBITDA was EUR 57.6 million; depreciation, amortisation and impairment totalled EUR -27.0 million; and EBIT was EUR 30.6 million.

1-12/2022	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	items	total
Revenue	1,300.9	828.6		2,129.5
EBITDA	495.7	237.6		733.3
Depreciation, amortisation and impairment	-174.0	-89.5		-263.4
EBIT	321.7	148.1		469.8
Financial income			5.6	5.6
Financial expenses			-18.7	-18.7
Share of associated companies' profit			-0.7	-0.7
Profit before tax				456.0
Investments	190.6	99.1		289.7
Total assets	1,891.9	1,082.4	126.5	3,100.8
1-12/2021	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	items	total
Revenue ⁽¹⁾	1,242.5	755.4		1,997.9
EBITDA ⁽¹⁾	476.0	221.4		697.4
Depreciation, amortisation and impairment ⁽¹⁾	-174.0	-92.5		-266.6
EBIT ⁽¹⁾	302.0	128.8		430.8
Financial income			4.6	4.6
Financial expenses			-16.5	-16.5
Share of associated companies' profit			-0.5	-0.5
Profit before tax				418.4
Investments	168.7	96.3		265.1
Total assets	1,822.3	1,051.2	154.9	3,028.4

¹⁾ Allocation rules of the revenue and expenses allocated to the segments have been specified in 2022 and the comparable figures have been updated to reflect the advanced allocations. In the comparison period 1-12/2021, Consumer Customers revenue was EUR 1,241.3 million; EBITDA was EUR 475.1 million; depreciation, amortisation and impairment totalled EUR -160.7 million; and EBIT was EUR 314.4 million. In the comparison period 1-12/2021, Corporate Customers revenue was EUR 756.6 million; EBITDA was EUR 222.3 million; depreciation, amortisation and impairment totalled EUR -105.8 million; and EBIT was EUR 116.5 million.

2. Acquisitions and disposals

Acquisition of Frinx s.r.o.

On 31 March 2022, Elisa Polystar acquired Frinx s.r.o., a telecom network automation software supplier based in Slovakia. Frinx's products and software complement Elisa Polystar's zero-touch automation and analytics offering that helps communication service providers automate the management process of telecom networks in a multi-vendor environment.

The acquisition price was EUR 14.4 million including the contingent consideration of EUR 1.1 million. EUR 0.5 million of the total acquisition price was allocated to software, which will be amortised over four years. The acquisition resulted in EUR 12.9 million of goodwill relating to Group's growth in digital services internationally and strengthening Elisa IndustrIQ business. The calculation of the purchase price allocation is preliminary, as the valuation of the acquired net assets has not been fully completed.

The acquired company has been consolidated from 1 April 2022 onwards. External revenue after the acquisition was EUR 2.3 million, and the impact on Group's profit for the period was EUR 0.5 million. Had the acquisition been made as of the beginning of the year 2022, the impact on Group revenue would have been EUR 2.7 million and the effect on profit for the period EUR 0.3 million.

Consideration transferred

EUR million	Preliminary
Cash paid	13.4
Contingent consideration	1.1
Total acquisition price	14.4

Analysis of net assets acquired

EUR million	
Tangible assets	0.0
Intangible assets	0.5
Trade and other receivables	0.8
Cash and cash equivalents	1.0
Deferred tax liabilities	-0.1
Trade payables and other liabilities	-0.4
Tax liabilities	-0.3
	1.5

Effects of acquisition on cash flow

EUR million	
Purchase price paid in cash	-13.4
Cash and cash equivalents of the acquired entity	1.0
	-12.3

Goodwill arising from business combination

EUR million	
Consideration transferred	14.4
Identifiable net assets of the acquired entity	1.5
Goodwill	12.9

EUR 0.2 million of acquisition-related costs, such as professional fees, is recorded in other operating expenses.

Acquisition of Cardinality group

On 4 August 2022, Elisa acquired the UK-based Cardinality Ltd. Cardinality is a supplier of cloud-native data management (DataOps), service assurance and customer experience analytics for communications service providers (CSPs) globally.

The acquisition price was EUR 10.0 million including the contingent consideration of EUR 0.4 million. EUR 1.5 million of the total acquisition price was allocated to software, which will be amortised over four years. The acquisition resulted in EUR 8.7 million of goodwill relating to the Group's growth in digital services internationally and acceleration of its telecom software business development under Elisa Polystar. The calculation of the purchase price allocation is preliminary, as the valuation of the acquired net assets has not been fully completed.

The acquired companies have been consolidated from 1 August 2022 onwards. External revenue after the acquisition was EUR 1.5 million, and the impact on Group's profit for the period was EUR -0.7 million. Had the acquisition been made as of the beginning of the year 2022, the impact on Group revenue would have been EUR 3.4 million and the effect on profit for the period EUR -2.1 million.

Consideration transferred

EUR million	Preliminary
Cash paid	9.6
Contingent consideration	0.4
Total acquisition price	10.0

Analysis of net assets acquired

EUR million	
Tangible assets	0.0
Intangible assets	1.5
Trade and other receivables	0.5
Tax receivables	0.5
Cash and cash equivalents	1.4
Deferred tax liabilities	-0.3
Interest-bearing liabilities	-0.3
Trade payables and other liabilities	-2.1
	1.2

Effects of acquisition on cash flow

EUR million	
Acquisition price paid in cash	-9.6
Cash and cash equivalents of the acquired entities	1.4
	-8.2

Goodwill arising from business combination

EUR million	
Consideration transferred	10.0
Identifiable net assets of the acquired entities	1.2
Goodwill	8.7

EUR 0.4 million of acquisition-related costs, such as professional fees, is recorded in other operating expenses.

Withdrawal from business in Russia

Elisa sold OOO LNR in Russia on 7 July 2022. The divestment of Polystar Ryssland LLC is in progress. The costs of the withdrawal from the Russian operations, EUR 1.1 million, are presented in other operating expenses.

3. Property, plant and equipment and intangible assets

31.12.2022 EUR million	Property plant and equipment	Goodwill	Other intangible assets
Acquisition cost at 1 January 2022	4,622.6	1,160.6	903.5
Business acquisitions	0.2	22.5	2.1
Additions	200.3		63.9 ⁽¹⁾
Additions, right-of-use assets	25.5		
Business disposals	-1.2		0.0
Disposals	-80.8		-0.2
Disposals, right-of-use assets	-1.6		
Reclassifications	-121.5		1.1
Translation differences	-0.1	-4.7	-0.7
Acquisition cost at 31 December 2022	4,643.4	1,178.4	969.6
Accumulated depreciation, amortisation and impairment at 1 January 2022	3,778.9	21.2	705.4
Depreciation, amortisation and impairment	205.1		58.2
Accumulated depreciation and amortisation on business acquisitions	0.1		0.1
Accumulated depreciation and amortisation on disposals and reclassifications	-197.1		-4.0
Accumulated depreciation and amortisation on business disposals	-0.7		0.0
Translation differences	0.0	-0.1	-0.6
Accumulated depreciation, amortisation and impairment at 31 December 2022	3,786.3	21.1	759.1
Book value at 1 January 2022	843.7	1,139.4	198.1
Book value at 31 December 2022	857.1	1,157.3	210.5

31.12.2021 EUR million	Property plant and equipment	Goodwill	Other intangible assets
Acquisition cost at 1 January 2021	4,415.8	1,152.5	938.9
Business acquisitions	4.0	8.6	4.4
Additions	201.8		45.3
Additions, right-of-use assets	18.0		
Disposals	-15.4		0.0
Disposals, right-of-use assets	-1.1		
Reclassifications	-0.6		-84.9
Translation differences	0.1	-0.5	-0.1
Acquisition cost at 31 December 2021	4,622.6	1,160.6	903.5
Accumulated depreciation, amortisation and impairment at 1 January 2021	3,586.1	21.1	728.8
Depreciation, amortisation and impairment	207.5		59.1
Accumulated depreciation and amortisation on business acquisitions	1.7		2.0
Accumulated depreciation and amortisation on disposals and reclassifications	-16.5		-84.4
Translation differences	0.1	0.2	-0.1
Accumulated depreciation, amortisation and impairment at 31 December 2021	3,778.9	21.2	705.4
Book value at 1 January 2021	829.7	1,131.4	210.1
Book value at 31 December 2021	843.7	1,139.4	198.1

¹⁾ Includes Estonian 3.5 GHz spectrum licence in a carrying amount of EUR 7.2 million and 2x10 MHz spectrum licence in carrying amount of EUR 2.1 million.

Commitments to purchase property, plant and equipment and intangible assets amounted to EUR 70.1 (55.7) million on 31 December 2022.

The lease commitments for rental agreements commencing in the future, in accordance with IFRS 16, were EUR 0.1 (4.8) million on 31 December 2022.

4. Carrying amounts of financial assets and liabilities by category

31.12.2022 EUR million	Financial asset/liabilities measured at fair value through profit or loss	Financial asset/liabilities measured at fair value through other compre- hensive income	Financial assets/ liabilities measured at amortised cost	Book values	Fair values
Non-current financial assets					
Other financial assets ⁽¹⁾	0.6		15.6	16.2	16.2
Trade and other receivables		1.2	115.6	116.8	116.8
Current financial assets					
Trade and other receivables			537.1	537.1	537.1
	0.6	1.2	668.3	670.1	670.1
Non-current financial liabilities					
Financial liabilities			1,065.9	1,065.9	994.0
Trade and other payables ⁽²⁾	4.6	0.0	21.4	26.0	26.0
Current financial liabilities					
Financial liabilities			295.4	295.4	295.4
Trade and other payables ⁽²⁾	0.3		402.3	402.6	402.6
	4.9	0.0	1,785.0	1,789.9	1,718.0
31.12.2021					
EUR million	Financial asset/liabilities measured at fair value through profit or loss	Financial asset/liabilities measured at fair value through other compre- hensive income	Financial assets/ liabilities measured at amortised cost	Book values	Fair values
Non-current financial assets					
Other financial assets ⁽¹⁾	0.8		15.6	16.4	16.4
Trade and other receivables		1.6	101.6	103.2	103.2
Current financial assets					
Trade and other receivables			506.3	506.3	506.3
	0.8	1.6	623.5	625.9	625.9
Non-current financial liabilities					
Financial liabilities			1,214.8	1,214.8	1,239.8
Trade and other payables ⁽²⁾	3.3	0.0	33.3	36.6	36.6
Current financial liabilities					
Financial liabilities			118.4	118.4	118.4
Trade and other payables ⁽²⁾			392.3	392.3	392.3
	3.3	0.0	1,758.8	1,762.1	1,787.1

¹⁾ "Other financial assets" includes Groups' listed and unlisted equity investments

²⁾ Excluding advances received

The Group's financial assets and liabilities are classified as financial assets and liabilities measured at amortised cost, financial assets and liabilities measured at fair value through other comprehensive income, and financial assets and liabilities measured at fair value through profit or loss. Financial assets and liabilities measured at amortised cost include fixed-term contracts whose cash flow includes payments of principal and interest on the principal outstanding. Financial assets and liabilities measured at fair value through other comprehensive income include those financial items that are expected both to collect contractual cash flows and to sell financial assets. Financial assets and liabilities measured at fair value through profit or loss include items that do not meet the criteria of the other groups.

The Group categorises electricity and currency derivatives that qualify for hedge accounting as financial assets or liabilities measured at fair value through other comprehensive income. Contingent considerations in business combinations and listed equity investments are recognised as financial assets or liabilities measured at fair value through profit or loss. Other financial assets and liabilities are measured at amortised cost.

5. Financial assets and liabilities recognised at fair value

EUR million	31.12.2022	Level 1	Level 2	Level 3
Financial assets/liabilities measured at fair value through other comprehensive income				
Electricity derivatives	1.2		1.2	
Currency derivatives	0.0		0.0	
Financial assets/liabilities measured at fair value through profit or loss				
Listed equity investments	0.6	0.6		
Contingent considerations relating to business combinations	-4.9			-4.9
	-3.1	0.6	1.1	-4.9

EUR million	31.12.2021	Level 1	Level 2	Level 3
Financial assets/liabilities recognised at fair value through other comprehensive income				
Electricity derivatives	1.6		1.6	
Currency derivatives	0.0		0.0	
Financial assets/liabilities measured at fair value through profit or loss				
Listed equity investments	0.8	0.8		
Contingent considerations relating to business combinations	-3.3			-3.3
	-0.9	0.8	1.6	-3.3

Level 1 includes instruments with quoted prices in active markets. Level 2 includes instruments with observable prices based on market data. Level 3 includes instruments with prices that are not based on verifiable market data, but instead on the company's internal information, for example.

6. Equity

	Number of shares pcs	Treasury shares pcs	Holding, % of shares and votes
Shares at 31 December 2021	167,335,073	7,147,772	4.27 %
Disposal of treasury shares		-72,394	
Shares at 31 December 2022	167,335,073	7,075,378	4.23 %

Dividend

On 6 April 2022, Elisa's Annual General Meeting decided on a dividend of EUR 2.05 euros per share. The total dividend amounts to EUR 328.5 million, and payment started on 20 April 2022.

7. Issuance and repayment of debt securities

On 4 May 2022, Elisa repaid the EUR 100 million Schuldschein loan. On the same day Elisa issued an equal amount loan for short-term financing under the credit facility. The credit facility is valid until 31 May 2023 and it was arranged by Landesbank Baden-Württemberg.

On 3 February 2022, Elisa established a Sustainability Finance Framework to support the company's sustainability goals. Elisa can issue bonds and other financial instruments to finance or refinance sustainable investments and projects in accordance with the Framework.

Current financial liabilities include a EUR 150 million loan that matures on 6 September 2023 and outstanding commercial papers of EUR 125.0 million.

The unused amount of the EUR 1,500 million EMTN programme is EUR 600 million as of 31 December 2022.

EUR million	31.12. 2022	31.12. 2021
Issued bonds, nominal value	900.0	900.0
Issued commercial papers	125.0	0.0
Withdrawn credit facilities	100.0	
Withdrawn committed credit lines	0.0	0.0

8. Provisions

EUR million	Termination benefits	Other	Total
1 January 2022	4.3	1.7	5.9
Increase in provisions	2.0		2.0
Utilised provisions	-3.8		-3.8
Reversals of unused provisions	-0.5		-0.5
31 December 2022	2.0	1.7	3.7

EUR million	Termination benefits	Other	Total
1 January 2021	1.7	1.7	3.4
Increase in provisions	7.6		7.6
Utilised provisions	-3.5		-3.5
Reversals of unused provisions	-1.6		-1.6
31 December 2021	4.3	1.7	5.9

9. Off-balance sheet lease commitments

The future minimum lease payments under non-cancellable off-balance sheet leases:

EUR million	31.12. 2022	31.12. 2021
Within one year	13.2	12.5
Later than one year, not later than five years	4.3	4.7
Later than five years	1.0	1.2
	18.4	18.4

Lease commitments are exclusive of value added tax.

10. Contingent liabilities

EUR million	31.12. 2022	31.12. 2021
For our own commitments		
Mortgages	3.8	3.8
Guarantees	0.6	0.4
Deposits	0.6	0.4
On behalf of others		
Guarantees	0.3	
	5.2	4.6
Other contractual obligations		
Venture capital investment commitment	0.5	0.8
Repurchase obligations		0.0
	0.5	0.8

11. Derivative instruments

EUR million	31.12. 2022	31.12. 2021
Nominal values of derivatives		
Electricity derivatives	5.8	1.9
Currency derivatives	3.3	3.5
	9.1	5.5
Fair values of derivatives		
Electricity derivatives	1.2	1.6
Currency derivatives	0.0	0.0
	1.1	1.6

12. Related party transactions

The Group's related parties include the parent company, subsidiaries, associates and joint ventures. The related parties also include Elisa's Board of Directors, the CEO, the Executive Board as well as entities controlled by them and close members of their family.

Related party transactions with associated companies EUR million	1-12 2022	1-12 2021
Revenue	0.5	0.5
Purchases	1.0	0.8
Receivables	0.6	0.6
Liabilities	0.0	0.0

There were no related party transactions with the key management. The salaries and remuneration paid to the management of Elisa Group will be published in the annual consolidated financial statements.

13. Key figures

EUR million	1-12 2022	1-12 2021
Shareholders' equity per share, EUR	7.78	7.48
Interest-bearing net debt	1,275.8	1,219.1
Gearing, %	101.9 %	101.2 %
Equity ratio, %	40.6 %	39.9 %
Return on investment (ROI), % *)	18.3 %	16.9 %
Gross investments in fixed assets, of which right-of-use assets	289.7 25.5	265.1 18.0
Gross investments as % of revenue	13.6 %	13.3 %
Investments in shares and business combinations	24.8	28.1
Average number of employees	5,523	5,391

*) Rolling 12 months' profit preceding the reporting date

Financial calendar

Interim report Q1 2023	20 April 2023
Half-year financial report 2023	14 July 2023
Interim report Q3 2023	19 October 2023

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