

Interim Report

**Q3 2021**

20 October 2021

*elisa*

# ELISA'S INTERIM REPORT JANUARY–SEPTEMBER 2021

## Third quarter 2021 financial highlights

- Revenue increased by EUR 29m to EUR 496m, mainly due to the camLine acquisition, Elisa Viihde Viaplay cooperation and growth in mobile revenue.
- Mobile service revenue increased by 5.5 per cent to EUR 218m.
- EBITDA grew by EUR 6m to EUR 186m.
- EBIT increased by EUR 9m to EUR 121m.
- Comparable cash flow decreased by EUR 7m to EUR 89m, mainly due to a negative change in net working capital.
- In Finland mobile post-paid ARPU increased to EUR 20.1 (19.9 in the previous quarter), and mobile post-paid churn decreased to 16.3 per cent (18.3).
- During the quarter, the number of post-paid mobile subscriptions increased by 53,700, of which 38,600 were M2M and IoT subscriptions.
- Prepaid subscriptions increased by 18,200 during the quarter.
- The number of fixed broadband subscriptions increased by 1,800 during the quarter.
- EBITDA guidance for 2021 is upgraded to “slightly higher” (previously “same level or slightly higher”).

## Key indicators

EUR million	3Q21	3Q20	Δ %	1Q-3Q21	1Q-3Q20	Δ %
Revenue	496	468	6.2 %	1,462	1,396	4.7 %
EBITDA	186	180	3.4 %	522	514	1.5 %
Comparable EBITDA <sup>(1)</sup>	186	180	3.4 %	528	514	2.7 %
EBIT	121	112	7.8 %	322	312	3.4 %
Comparable EBIT <sup>(1)</sup>	121	112	7.8 %	328	312	5.2 %
Profit before tax	118	108	8.7 %	313	300	4.5 %
Comparable PBT <sup>(1)</sup>	118	108	8.7 %	319	300	6.5 %
EPS, EUR	0.60	0.55	8.9 %	1.61	1.54	4.7 %
Comparable EPS, EUR	0.60	0.55	8.9 %	1.64	1.54	6.6 %
Capital expenditure	64	75	-15.6 %	184	201	-8.6 %
Net debt	1,298	1,256	3.4 %	1,298	1,256	3.4 %
Net debt / EBITDA <sup>(2)</sup>	1.9	1.8		1.9	1.8	
Gearing ratio, %	116.1 %	114.8 %		116.1 %	114.8 %	
Equity ratio, %	38.5 %	36.2 %		38.5 %	36.2 %	
Cash flow	86	91	-5.8 %	237	247	-4.2 %
Comparable Cash flow <sup>(3)</sup>	89	97	-7.4 %	250	255	-1.8 %

<sup>1)</sup> 1Q-3Q21 excluding EUR 6m in restructuring costs. <sup>2)</sup> (Interest-bearing debt – financial assets) / (four previous quarters' comparable EBITDA). <sup>3)</sup> 3Q21 excluding EUR 4m share investments, 1Q-3Q21 excluding EUR 14m in share investments, 3Q20 excluding EUR 5m and 1Q-3Q20 excluding EUR 8m in share investments.

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

## CEO's review:

### Solid performance continuing

Elisa continued its solid development. Revenue increased by 6 per cent to EUR 496 million from the previous year. EBITDA improved by 3 per cent, to EUR 186 million and earnings per share by 9 per cent, to EUR 0.60.

Elisa's leadership in 5G coverage strengthened during the quarter. The latest independent study of operators confirms that Elisa's 5G network is the most comprehensive in Finland<sup>1)</sup>, and according to a global study, Elisa is leading the 5G subscriber experience in Finland and provides the second-best video experience in the world<sup>2)</sup>.

Elisa's 5G network reached over 60 per cent population coverage in nearly 130 locations. Devices with 5G capabilities continued to be the preferred choice for customers, and 5G internet packages were launched for prepaid customers.

Elisa made a strategic investment, acquiring a majority stake in TenForce, a Belgian provider of EHSQ and operational risk management software serving mostly large global industrial customers with a SaaS model. The acquisition is consistent with Elisa's strategy to grow digital businesses internationally and to accelerate the growth of Elisa IndustrIQ. TenForce provides cross-selling opportunities across the customer-base and complements Elisa's capabilities, bringing a profound understanding of process industries and its critical features.

Elisa's mission is a sustainable future through digitalisation. We continued providing our customers with sustainable and innovative digital solutions. As the COVID-19 situation begins to ease, our people are continuing to work using the hybrid working methods best suited to each team.

The company's sustainability goals are also reflected in its financing. Elisa signed a new, EUR 130 million syndicated, sustainability-linked revolving credit facility that will help us accelerate our sustainable growth. The margin will increase or decrease depending on Elisa's performance related to corporate sustainability targets: reducing CO2 emissions from purchased energy, improving the availability of high-speed mobile networks and promoting diversity among our employees.

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

<sup>1)</sup> *Boftel: Operator comparison September 2021*

<sup>2)</sup> *Tutela: Global State of Mobile Experience report for 2021*

## INTERIM REPORT JANUARY–SEPTEMBER 2021

This interim report has been prepared in accordance with the IFRS recognition and measurement principles, although not all requirements of the IAS 34 standard have been followed. The information presented in this interim report is unaudited.

### Market situation

The competitive environment has been active, especially in 4G subscriptions. During the quarter, the COVID-19 crisis continued to impact the market situation to some extent. Travel is still very limited, and in the corporate business, uncertainty still prevails. On the other hand, the usage of mobile voice and data continued to evolve favourably. Brisk demand for 5G services has also continued due to a wider range of 5G devices and better network coverage. 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 and IPTV entertainment services have continued to develop favourably, while demand for other digital services is also growing.

### Revenue, earnings and financial position

EUR million	3Q21	3Q20	Δ %	1Q-3Q21	1Q-3Q20	Δ %
Revenue	496	468	6.2 %	1,462	1,396	4.7 %
EBITDA	186	180	3.4 %	522	514	1.5 %
EBITDA-%	37.5 %	38.5 %		35.7 %	36.8 %	
Comparable EBITDA <sup>(1)</sup>	186	180	3.4 %	528	514	2.7 %
Comparable EBITDA-%	37.5 %	38.5 %		36.1 %	36.8 %	
EBIT	121	112	7.8 %	322	312	3.4 %
EBIT-%	24.3 %	23.9 %		22.0 %	22.3 %	
Comparable EBIT <sup>(1)</sup>	121	112	7.8 %	328	312	5.2 %
Comparable EBIT-%	24.3 %	23.9 %		22.4 %	22.3 %	
Return on equity, %	29.6 %	29.1 %		29.6 %	29.1 %	

<sup>1)</sup> 1Q-3Q21 excluding EUR 6m in restructuring costs

Revenue increased by 6 per cent, mostly due to the camLine acquisition and Elisa Viihde Viaplay cooperation, as well as growth in mobile services, domestic digital services and equipment sales. A decrease in usage and subscriptions of traditional fixed (PSTN) telecom services, as well as other fixed services, affected revenue negatively. EBITDA increased by 3 per cent, as efficiency improvements and revenue growth impacted EBITDA positively. EBIT grew by 8 per cent.

Net financial income and expenses decreased to EUR -3 million (-4) due to refinancing in January 2021. Income taxes in the income statement amounted to EUR -21 million (-19). Net profit was EUR 97 million (89), and earnings per share were EUR 0.60 (0.55).

#### January–September 2021

Revenue increased by 5 per cent on the previous year, mainly due to the camLine acquisition and Elisa Viihde Viaplay cooperation, as well as growth in mobile services, domestic digital services and equipment sales. A decrease in usage and subscriptions of traditional fixed telecom services, other fixed services as well as interconnection and roaming affected revenue negatively.

EBITDA includes EUR 6 million in one-off restructuring costs relating to personnel reductions. Comparable EBITDA increased by 3 per cent and comparable EBIT by 5 per cent, mainly due to revenue growth and efficiency improvement measures.

Net financial income and expenses decreased to EUR -8 million (-13) due to the refinancing in January. Income taxes in the income statement were EUR -56 million (-54). Net profit was EUR 257 million (246) and earnings per share were EUR 1.61 (1.54). Comparable earnings per share were EUR 1.64 (1.54).

#### Financial position

EUR million	3Q21	3Q20	Δ %	1Q-3Q21	1Q-3Q20	Δ %
Net debt	1,298	1,256	3.4 %	1,298	1,256	3.4 %
Net debt / EBITDA <sup>1)</sup>	1.9	1.8		1.9	1.8	
Gearing ratio, %	116.1 %	114.8 %		116.1 %	114.8 %	
Equity ratio, %	38.5 %	36.2 %		38.5 %	36.2 %	
Cash flow	86	91	-5.8 %	237	247	-4.2 %
Comparable cash flow <sup>2)</sup>	89	97	-7.4 %	250	255	-1.8 %

<sup>1)</sup> (Interest-bearing debt – financial assets) / (four previous quarters' comparable EBITDA). <sup>2)</sup> 3Q21 excluding EUR 4m share investments, 1Q-3Q21 excluding EUR 14m in share investments, 3Q20 excluding EUR 5m and 1Q-3Q20 excluding EUR 8m in share investments.

#### Third quarter 2021

Net debt increased by EUR 43 million to EUR 1,298 million (1,256), mainly due to acquisitions and higher dividend payments. Comparable cash flow decreased by 7 per cent to EUR 89 million (97), mainly due to a negative change in net working capital due to increased inventories, and higher paid taxes and interest.

The financial position and liquidity are strong. Cash and undrawn committed credit lines totalled EUR 389 million at the end of the quarter.

#### January–September 2021

Comparable cash flow after investments decreased by 2 per cent to EUR 250 million (255). Higher EBITDA affected cash flow positively, the negative change in net working capital due to increased inventories, and higher paid taxes had a negative effect.

### Changes in corporate structure

In September, Elisa acquired 50.1 percent of the Belgium-based software company TenForce. The company serves mostly large global industrial customers with SaaS model. The company provides operational risk management (ORM) software for process industry to help protecting from environmental, health, safety and quality (EHSQ) risks.

## Consumer Customers business

EUR million	3Q21	3Q20	Δ %	1Q-3Q21	1Q-3Q20	Δ %
Revenue	314	299	5.0 %	914	871	5.0 %
EBITDA	125	123	1.6 %	357	344	3.8 %
EBITDA-%	39.7 %	41.0 %		39.1 %	39.5 %	
Comparable EBITDA <sup>(1)</sup>	125	123	1.6 %	359	344	4.4 %
Comparable EBITDA-%	39.7 %	41.0 %		39.3 %	39.5 %	
EBIT	85	81	5.5 %	236	219	7.8 %
EBIT-%	27.1 %	26.9 %		25.8 %	25.2 %	
Comparable EBIT <sup>(1)</sup>	85	81	5.5 %	238	219	8.7 %
Comparable EBIT-%	27.1 %	26.9 %		26.0 %	25.2 %	
CAPEX	40	46	-13.2 %	115	128	-10.2 %

<sup>1)</sup> 1Q-3Q21 excluding EUR 2m in restructuring costs.

Revenue increased by 5 per cent. Revenue was positively affected by growth in mobile services and the Elisa Viihde Viaplay cooperation, as well as growth in entertainment services and equipment sales. A decrease in usage and subscriptions of traditional fixed telecom services affected revenue negatively. EBITDA increased by 2 per cent, mainly due to revenue growth and efficiency improvements.

### January–September 2021

Revenue increased by 5 per cent. Mobile services, equipment sales, the Elisa Viihde Viaplay cooperation and entertainment services all affected revenue positively, while it was negatively affected by interconnection and roaming, as well as the decrease in traditional fixed telecom services. EBITDA includes EUR 2 million one-off restructuring costs relating to personnel reductions. Comparable EBITDA increased by 4 per cent, mainly due to revenue growth and efficiency improvement measures.

## Corporate Customers business

EUR million	3Q21	3Q20	Δ %	1Q-3Q21	1Q-3Q20	Δ %
Revenue	182	168	8.4 %	548	526	4.3 %
EBITDA	61	57	7.1 %	165	170	-3.1 %
EBITDA-%	33.6 %	34.0 %		30.1 %	32.3 %	
Comparable EBITDA <sup>(1)</sup>	61	57	7.1 %	169	170	-0.8 %
Comparable EBITDA-%	33.6 %	34.0 %		30.8 %	32.3 %	
EBIT	36	31	13.9 %	86	93	-7.2 %
EBIT-%	19.5 %	18.6 %		15.7 %	17.6 %	
Comparable EBIT <sup>(1)</sup>	36	31	13.9 %	90	93	-3.0 %
Comparable EBIT-%	19.5 %	18.6 %		16.4 %	17.6 %	
CAPEX	23	29	-19.3 %	69	73	-6.0 %

<sup>1)</sup> 1Q-3Q21 excluding EUR 4m in restructuring costs.

Revenue grew by 8 per cent. Revenue was positively affected by the camLine acquisition, mobile services, domestic digital services and equipment sales, while the decrease in traditional and other fixed services affected revenue negatively. EBITDA increased by 7 per cent mainly due to revenue growth and efficiency improvements.

## January–September 2021

Revenue increased by 4 per cent. Revenue was positively affected by the camLine acquisition, equipment sales and domestic digital services, whereas the decrease in fixed services as well as interconnection and roaming had a negative effect. EBITDA includes EUR 4 million in one-off restructuring costs relating to personnel reductions. Comparable EBITDA decreased by 1 per cent.

## Personnel

In January–September, the average number of personnel at Elisa was 5,398 (5,063) and employee expenses totalled EUR 273 million (243). In the third quarter, employee expenses were EUR 80 million (74). Personnel by segment at the end of the period:

	3Q21	3Q20	2020
Consumer Customers	2,857	2,909	2,914
Corporate Customers	2,530	2,215	2,257
Total	5,387	5,124	5,171

The growth in personnel was mainly due to the camLine and TenForce acquisitions.

EUR million	3Q21	3Q20	1Q-3Q21	1Q-3Q20
Capital expenditure <sup>(1)</sup> , of which	64	75	184	201
Consumer Customers	40	46	115	128
Corporate Customers	23	29	69	73
Shares	15	1	25	3
Total	79	76	209	204
Capital expenditure excluding leasing	60	61	173	181

<sup>1)</sup> 1Q-Q320 include EUR 7m for the 26 GHz frequency licence investment.

## Financing arrangements and ratings

EUR million	Maximum amount	In use on 30 Sep 2021
Committed credit limits	300	0
Commercial paper programme (not committed)	350	55
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

In September, Elisa signed with six banks a EUR 130 million sustainability linked Revolving Credit Facility. The facility has five-year maturity with option to be extended by two years.

## 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	3Q21	3Q20	2020
Nasdaq Helsinki, millions	15.7	23.2	122.5
Other marketplaces, millions <sup>1)</sup>	31.3	60.0	264.3
Total volume, millions	47.0	83.2	386.8
Value, EUR million	2,537.1	4,289.1	19,803.8
% of shares	28.1 %	49.7 %	231.2 %

Shares and market values	30 Sep 2021	30 Sep 2020	2020
Total number of shares	167,335,073	167,335,073	167,335,073
Treasury shares	7,147,772	7,252,165	7,252,165
Outstanding shares	160,187,301	160,082,908	160,082,908
Closing price, EUR	53.64	50.28	44.87
Market capitalisation, EUR million	8,976	8,414	7,508
Treasury shares, %	4.27 %	4.33 %	4.33 %

Number of shares	Total	Treasury	Outstanding
Shares on 31 Dec 2020	167,335,073	7,252,165	160,082,908
Performance share plan, 2 Feb 2021 <sup>2)</sup>		-95,241	95,241
Restricted share plan, 18 Jun 2021 <sup>3)</sup>		-9,152	9,152
Shares on 30 Sep 2021	167,335,073	7,147,772	160,187,301

<sup>1)</sup> Other marketplaces: Based on Bloomberg. <sup>2)</sup> Stock exchange release, 2 February 2021. <sup>3)</sup> Stock exchange release, 18 June 2021.

## Elisa Shareholders' Nomination Board

The biggest shareholders were determined according to the shareholder register of Elisa on 31 August 2021, and they named the members of the Nomination Board. The composition of the Nomination Board since September 2021 has been as follows:

- Mr Pauli Anttila, Investment Director, nominated by Solidium Oy
- Mr Jouko Pölonen, President and CEO, nominated by Ilmarinen Mutual Pension Insurance Company
- Mr Reima Rytölä, Deputy CEO, nominated by Varma Mutual Pension Insurance Company
- Ms Hanna Hiidenpalo, Interim CEO, Director, Chief Investment Officer, 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 September, the Estonian Minister of Entrepreneurship and IT submitted to the parliament a new draft of amendments to the Electronic Communications Act aimed at supplementing the national security requirements. According to that proposal, an operator must coordinate with the state on the hardware and software used in its communications networks, as well as on the corresponding suppliers. If the state deems that a supplier poses a high risk, usage of that supplier's hardware and software in a 5G mobile network is allowed until 31 December 2025, and until 31 December 2029 in earlier generation (2G–4G) networks.

## 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 under intense competition 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 may increase the risk that there will be restrictions on network providers' equipment that is also used in Elisa's network. This might 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 decreased 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.

### 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 remote working in the duties where it 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 has 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 2020.

### **COVID-19 situation and impacts**

The impact of COVID-19 on Elisa's business has been limited. Operations have continued as planned, and all supply chains have operated normally. Elisa has continued its way of working mainly as remote working. The financial effects have been seen mainly in lower roaming revenue due to the reduced amount of travel. Elisa's financial position and cash flow have remained strong. Elisa has prepared for various scenarios to secure its financial position.

### **Events after the reporting period**

There have been no substantial events after the reporting period.

### **Outlook and guidance for 2021**

The outlook of macroeconomic environment has improved in Finland. Global supply chain challenges may create uncertainties in volumes and prices. Competition in the Finnish telecommunications market remains keen.

Full-year revenue is estimated to be slightly higher than in 2020. Mobile data and digital services are expected to increase revenue. Full-year comparable EBITDA is anticipated to be slightly higher than in 2020. 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 interactions, 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 digital online and ICT services.

BOARD OF DIRECTORS

Unaudited

## Consolidated income statement

EUR million	Note	7-9 2021	7-9 2020	1-9 2021	1-9 2020	1-12 2020
<b>Revenue</b>	1	<b>496.5</b>	<b>467.5</b>	<b>1,462.4</b>	<b>1,396.5</b>	<b>1,894.6</b>
Other operating income		1.6	1.3	7.2	2.6	4.1
Materials and services		-188.3	-175.6	-551.3	-514.0	-713.7
Employee expenses		-80.4	-74.1	-273.4	-243.0	-325.7
Other operating expenses		-43.4	-39.1	-123.0	-128.0	-174.2
<b>EBITDA</b>	1	<b>186.0</b>	<b>180.0</b>	<b>521.9</b>	<b>513.9</b>	<b>685.2</b>
Depreciation, amortisation and impairment	1	-65.4	-68.1	-199.7	-202.3	-276.2
<b>EBIT</b>	1	<b>120.6</b>	<b>111.9</b>	<b>322.1</b>	<b>311.7</b>	<b>409.0</b>
Financial income		1.3	1.2	3.6	2.4	8.7
Financial expenses		-4.1	-5.4	-12.1	-15.8	-21.2
Share of associated companies' profit		-0.1	0.7	-0.3	1.6	1.9
<b>Profit before tax</b>		<b>117.7</b>	<b>108.3</b>	<b>313.4</b>	<b>299.8</b>	<b>398.3</b>
Income taxes		-21.0	-19.4	-55.9	-54.0	-70.2
<b>Profit for the period</b>		<b>96.7</b>	<b>88.9</b>	<b>257.5</b>	<b>245.9</b>	<b>328.1</b>
<b>Attributable to</b>						
Equity holders of the parent		96.8	88.8	257.6	245.8	328.0
Non-controlling interests		-0.1	0.1	-0.2	0.1	0.1
		96.7	88.9	257.5	245.9	328.1
<b>Earnings per share (EUR)</b>						
Basic		0.60	0.55	1.61	1.54	2.05
Diluted		0.60	0.55	1.61	1.54	2.05
<b>Average number of outstanding shares (1000 shares)</b>						
Basic		160,187	160,083	160,170	160,060	160,066
Diluted		160,187	160,083	160,170	160,060	160,066

## Consolidated statement of comprehensive income

<b>Profit for the period</b>	<b>96.7</b>	<b>88.9</b>	<b>257.5</b>	<b>245.9</b>	<b>328.1</b>
<b>Other comprehensive income, net of tax</b>					
<b>Items, which may be reclassified subsequently to profit or loss</b>					
Cash flow hedge	0.5	0.0	0.3	0.1	0.4
Translation differences	-0.1	-0.8	-1.0	-1.0	3.1
	0.3	-0.8	-0.6	-0.9	3.5
<b>Items that are not reclassified subsequently to profit or loss</b>					
Remeasurements of the net defined benefit liability					4.5
<b>Total comprehensive income</b>	<b>97.0</b>	<b>88.1</b>	<b>256.9</b>	<b>245.0</b>	<b>336.1</b>
<b>Total comprehensive income attributable to</b>					
Equity holders of the parent	97.1	88.0	257.0	244.9	336.1
Non-controlling interest	-0.1	0.1	-0.1	0.1	0.0
	97.0	88.1	256.9	245.0	336.1

## Consolidated statement of financial position

EUR million	30.9. 2021	31.12. 2020
<b>Non-current assets</b>		
Property, plant and equipment	737.2	735.1
Right-of-use assets	90.3	94.6
Goodwill	1,138.5	1,131.4
Intangible assets	199.0	210.1
Investments to associated companies	10.9	1.4
Other financial assets	16.6	15.6
Trade and other receivables	94.3	94.9
Deferred tax assets	13.1	11.9
	2,299.9	2,295.1
<b>Current assets</b>		
Inventories	74.5	67.9
Trade and other receivables	455.4	457.8
Tax receivables	1.7	0.5
Cash and cash equivalents	88.8	220.1
	620.4	746.3
<b>Total assets</b>	<b>2,920.3</b>	<b>3,041.4</b>
<b>Equity attributable to equity holders of the parent</b>	<b>1,111.6</b>	<b>1,182.7</b>
<b>Non-controlling interests</b>	<b>6.4</b>	<b>1.5</b>
<b>Total shareholders' equity</b>	<b>1,118.1</b>	<b>1,184.2</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	23.1	26.2
Interest-bearing financial liabilities	1,140.5	1,136.8
Lease liabilities, interest-bearing	74.3	78.8
Trade payables and other liabilities	42.0	32.2
Pension obligations	10.7	11.0
Provisions	2.9	2.9
	1,293.5	1,288.0
<b>Current liabilities</b>		
Interest-bearing financial liabilities	155.4	193.5
Lease liabilities, interest-bearing	17.1	17.7
Trade and other payables	326.5	356.3
Tax liabilities	6.7	1.2
Provisions	3.1	0.5
	508.7	569.2
<b>Total equity and liabilities</b>	<b>2,920.3</b>	<b>3,041.4</b>

## Condensed consolidated cash flow statement

EUR million	1-9 2021	1-9 2020	1-12 2020
<b>Cash flow from operating activities</b>			
Profit before tax	313.4	299.8	398.3
Adjustments			
Depreciation, amortisation and impairment	199.7	202.3	276.2
Other adjustments	-0.3	-0.5	-4.9
	199.4	201.8	271.3
Change in working capital			
Increase (-) / decrease (+) in trade and other receivables	21.5	30.9	11.2
Increase (-) / decrease (+) in inventories	-8.3	0.9	-1.2
Increase (+) / decrease (-) in trade and other payables	-20.6	-34.8	2.6
	-7.3	-2.9	12.7
Financial items, net	-13.2	-13.2	-14.7
Taxes paid	-56.1	-47.4	-67.6
<b>Net cash flow from operating activities</b>	<b>436.2</b>	<b>438.0</b>	<b>600.0</b>
<b>Cash flow from investing activities</b>			
Capital expenditure	-186.6	-186.1	-249.2
Equity investments and business acquisitions	-13.2	-8.4	-56.5
Loans granted	-0.5		
Proceeds from disposal of tangible and intangible assets	0.8	3.6	5.7
<b>Net cash used in investing activities</b>	<b>-199.5</b>	<b>-190.9</b>	<b>-300.0</b>
<b>Cash flow before financing activities</b>	<b>236.7</b>	<b>247.1</b>	<b>300.0</b>
<b>Cash flow from financing activities</b>			
Proceeds from long-term borrowings	100.4	297.8	297.8
Repayment of long-term borrowings	-174.0		
Increase (+) / decrease (-) in short-term borrowings	35.5	18.5	-113.5
Repayment of lease liabilities	-17.1	-15.7	-20.8
Acquisition of non-controlling interests			-0.1
Dividends paid	-312.6	-295.9	-295.7
<b>Net cash used in financing activities</b>	<b>-367.9</b>	<b>4.6</b>	<b>-132.4</b>
<b>Change in cash and cash equivalents</b>	<b>-131.1</b>	<b>251.7</b>	<b>167.6</b>
Translation differences	-0.1	-0.8	0.6
Cash and cash equivalents at the beginning of period	220.1	52.0	52.0
<b>Cash and cash equivalents at end of period</b>	<b>88.8</b>	<b>302.9</b>	<b>220.1</b>

## 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
<b>Balance at 1 January 2020</b>	<b>83.0</b>	<b>-132.2</b>	<b>90.9</b>	<b>370.8</b>	<b>737.0</b>	<b>0.7</b>	<b>1,150.3</b>
Profit for the period					245.8	0.1	245.9
Translation differences					-1.0		-1.0
Cash flow hedge				0.1			0.1
<b>Total comprehensive income</b>				<b>0.1</b>	<b>244.8</b>	<b>0.1</b>	<b>245.0</b>
Dividend distribution					-296.2	-0.1	-296.2
Share-based compensation		3.8					3.8
Acquisition of non-controlling interests					0.0	-0.1	-0.1
Other changes					-8.7		-8.7
<b>Balance at 30 September 2020</b>	<b>83.0</b>	<b>-128.4</b>	<b>90.9</b>	<b>371.0</b>	<b>677.0</b>	<b>0.5</b>	<b>1,094.0</b>
EUR million							
<b>Balance at 1 January 2021</b>	<b>83.0</b>	<b>-128.4</b>	<b>90.9</b>	<b>375.7</b>	<b>761.5</b>	<b>1.5</b>	<b>1,184.2</b>
Profit for the period					257.6	-0.2	257.5
Translation differences					-1.0	0.0	-1.0
Cash flow hedge				0.3			0.3
<b>Total comprehensive income</b>				<b>0.3</b>	<b>256.6</b>	<b>-0.1</b>	<b>256.9</b>
Dividend distribution					-312.4	0.0	-312.4
Share-based compensation		2.3					2.3
Acquisition of non-controlling interests						5.1	5.1
Other changes					-17.9		-17.9
<b>Balance at 30 September 2021</b>	<b>83.0</b>	<b>-126.1</b>	<b>90.9</b>	<b>376.1</b>	<b>687.8</b>	<b>6.4</b>	<b>1,118.1</b>

## ACCOUNTING PRINCIPLES

The interim report has been prepared in accordance with the IFRS recognition and measurement principles, although not all requirements of IAS 34 Interim Financial Reporting have been followed. 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 2020.

### Changes in the accounting principles

Amendments to IFRS standards adopted as of 1 January 2021 do not have a material impact on the Company's consolidated financial statements.

In April 2021, the IFRS Interpretations Committee finalised its agenda decision on Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets). In this agenda decision, the IFRS IC considered when an intangible asset in relation to configuration or customisation of the application software can be recognised. IFRIC agenda decisions have no effective date, so they are expected to be applied as soon as possible. As the Group has cloud computing arrangements in place, it has started to analyse whether this agenda decision has an impact on the accounting policies applied to implementation costs in cloud computing arrangements.

## 1. Segment information

<b>7-9/2021</b> EUR million	Consumer Customers	Corporate Customers	Unallocated Items	Group Total
Revenue	314.1	182.4		496.5
EBITDA	124.7	61.3		186.0
Depreciation, amortisation and impairment	-39.7	-25.7		-65.4
EBIT	85.0	35.6		120.6
Financial income			1.3	1.3
Financial expenses			-4.1	-4.1
Share of associated companies' profit			-0.1	-0.1
Profit before tax				117.7
Investments	40.2	23.4		63.6
<b>7-9/2020</b> EUR million	Consumer Customers	Corporate Customers	Unallocated Items	Group Total
Revenue	299.2	168.3		467.5
EBITDA	122.7	57.2		180.0
Depreciation, amortisation and impairment	-42.1	-26.0		-68.1
EBIT	80.6	31.2		111.9
Financial income			1.2	1.2
Financial expenses			-5.4	-5.4
Share of associated companies' profit			0.7	0.7
Profit before tax				108.3
Investments	46.3	29.0		75.3

<b>1-9/2021</b>	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	Items	Total
Revenue	914.3	548.1		1,462.4
EBITDA	357.1	164.7		521.9
Depreciation, amortisation and impairment	-120.9	-78.8		-199.7
EBIT	236.2	85.9		322.1
Financial income			3.6	3.6
Financial expenses			-12.1	-12.1
Share of associated companies' profit			-0.3	-0.3
<b>Profit before tax</b>				<b>313.4</b>
Investments	114.5	69.1		183.6
<b>1-9/2020</b>	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	Items	Total
Revenue	870.8	525.6		1,396.5
EBITDA	343.9	170.0		513.9
Depreciation, amortisation and impairment	-124.8	-77.5		-202.3
EBIT	219.1	92.6		311.7
Financial income			2.4	2.4
Financial expenses			-15.8	-15.8
Share of associated companies' profit			1.6	1.6
<b>Profit before tax</b>				<b>299.8</b>
Investments	127.5	73.4		201.0
<b>1-12/2020</b>	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	Items	Total
Revenue	1,183.4	711.2		1,894.6
EBITDA	460.8	224.4		685.2
Depreciation, amortisation and impairment	-169.9	-106.3		-276.2
EBIT	290.8	118.1		409.0
Financial income			8.7	8.7
Financial expenses			-21.2	-21.2
Share of associated companies' profit			1.9	1.9
<b>Profit before tax</b>				<b>398.3</b>
Investments	170.1	96.1		266.2
Total assets	1,802.5	989.4	249.5	3,041.4



## 2. Off-balance sheet lease commitments

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

EUR million	30.9. 2021	31.12. 2020
Within one year	12.3	11.7
Later than one year, not later than five years	4.8	5.1
Later than five years	1.0	1.1
	18.1	17.9

Lease commitments are exclusive of value added tax.

## 3. Contingent liabilities

EUR million	30.9. 2021	31.12. 2020
For our own commitments		
Mortgages	3.8	
Guarantees	0.4	
Deposits	0.4	0.4
	4.6	0.4
Other contractual obligations		
Venture Capital investment commitment	0.8	1.3
Repurchase obligations	0.0	0.0
	0.8	1.3

## 4. Derivative instruments

EUR million	30.9. 2021	31.12. 2020
Nominal values of derivatives		
Electricity derivatives	1.4	1.1
Currency derivatives	16.9	3.2
	18.3	4.2
Fair values of derivatives		
Electricity derivatives	0.9	0.4
Currency derivatives	0.0	0.1
	0.9	0.4

## Key figures

EUR million	1-9 2021	1-9 2020	1-12 2020
Shareholders' equity per share, EUR	6.94	6.83	7.39
Interest-bearing net debt	1,298.4	1,255.8	1,206.8
Gearing, %	116.1 %	114.8 %	101.9 %
Equity ratio, %	38.5 %	36.2 %	39.1 %
Return on investment (ROI), % *)	16.6 %	16.7 %	16.7 %
Gross investments in fixed assets	183.6	201.0	266.2
of which right-of-use assets	11.0	19.9	21.5
Gross investments as % of revenue	12.6 %	14.4 %	14.1 %
Investments in shares and business combinations	25.3	3.4	69.5
Average number of employees	5,398	5,063	5,097

\*) rolling 12 months profit preceding the reporting date

## Financial calendar

Financial Results for 2021	27 January 2022
Interim Report Q1 2022	22 April 2022
Half-Year Financial Report 2022	15 July 2022
Interim Report Q3 2022	19 October 2022

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