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sustainability financials remuneration governance

Elisa 140 years – building
a sustainable future
through digitalisation
together.

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YEAR 2022

1.

Another strong year
driven by our solid
strategy

CEO's review

The year 2022 saw Elisa's 140th anniversary. We implemented our mission – a sustainable future through digitalisation – both in our home markets and in our international operating environment.

Despite the geopolitical challenges, we achieved another strong financial result. We delivered sustainable value to our customers and society.



The year 2022 was marked by increasing global uncertainty. COVID-19 still restricted the movements of people, especially in the early part of the year. Russia's war of aggression in Ukraine caused not only human distress and suffering, but also an energy crisis and rising inflation in Europe.

Despite the geopolitical challenges and increasing uncertainty, our long-term strategy enabled us to achieve stable financial performance in all our business areas. The effects of inflation and rising energy costs were countered by various measures (such as electricity hedging agreements). The impact of inflation on Elisa remained moderate. We were not completely immune to rising costs, however.

Elisa's revenue increased by 7 per cent from the previous year to EUR 2,130 million. Comparable EBITDA improved by 4 per cent to EUR 735 million, and earnings per share by 7 per cent to EUR 2.34.

For many years now, our good financial performance has enabled us to pay an increasing dividend. Elisa's Board of Directors will propose to the 2023 annual general meeting that we pay a dividend of EUR 2.15 per share.

Comprehensive 5G network in Finland and Estonia

Our customers have adopted 5G at a pleasingly rapid pace, and the new-generation mobile network has responded very well to our customers' growing needs.

At the end of 2022, the Finnish 5G network covered 227 locations, serving more than 86 per cent of Finland's population. In Estonia, we won the frequency bands we were aiming for in the 5G spectrum auction, and in the summer, we were

the first company to start constructing a 5G network. Elisa's 5G network already covers 70 per cent of Estonia's population.

We made history again in Finland by setting a new world record for 5G transmission speeds, in partnership with Nokia and Qualcomm. Ever-increasing 5G speeds will enable new, higher-performing services.

Increased demand for cybersecurity and entertainment services

During the year, we launched new and more sustainable device options and expanded our digital security services. The demand for cybersecurity services increased, especially among corporate customers.

We further strengthened our position as one of the most important producers of Finnish and Estonian drama content. Elisa has already launched more than 30 original series, which have been sold to more than 60 countries.

Elisa's Net Promoter Score, which measures customer satisfaction, increased to 28.1 (26 in 2021).

During the year, the security of critical network infrastructure and Elisa's role in ensuring national security of supply in Finland expanded. We use our cybersecurity expertise and cutting-edge technologies to provide secure and reliable services to our customers, and we prepared for the impact of potential power shortages on our services.

Growth through international business

Our digital services business continued to expand; both revenue and customer order volumes grew. In our international business, we already serve over 1,500 global clients in about 30 countries.

Elisa's industrial software business Elisa IndustrIQ developed positively, winning new customers in the

steel and electronics industries, among others. Our Elisa Polystar telecom software business also grew through two acquisitions: Cardinality and FRINX strengthen our product portfolio and enable network-wide automation solutions.

Furthermore, we are piloting an AI-powered solution that utilises the distributed battery capacity of mobile network access points in Elisa's networks. This solution will help cut energy costs and enable the sale of electricity to grid operators. Our new business is aimed at the international markets.

Target-oriented sustainability work in line with our mission

Sustainability has been part of Elisa's strategy for a long time. We are committed to the principles of the UN Global Compact and to promoting a safe digital environment, equality and ethical business practices, as well as to our determined work to curb climate change.

We promote sustainability by providing digitalisation solutions to our customers (handprint) and by further reducing the negative impact of our own operations (footprint). Since 2002, we have reported the results of our key sustainability indicators in our interim reports.

To increase the availability of renewable energy, we have signed a ten-year contract for production of wind power starting from the second quarter of 2023, which will cover approximately half of the electricity needed for Elisa's entire mobile network in Finland. We have further expanded the utilisation of the waste heat from our data centres in district heat production.

As one result of our internationalisation, diversity, equality and inclusiveness are increasingly important to us, both in terms of our staff and in terms of customer interaction.

Our thoughts and sympathies are with those who are suffering due to the war in Ukraine. We have donated phones and devices and set up a customer service channel in the Ukrainian language to ensure that refugees arriving in Finland from Ukraine can keep in touch with their loved ones.

For more information on the 2022 sustainability measures and results, see [our sustainability report](#).

The 140-year-old Elisa has deep roots in Finland.

Elisians together – with a big heart

In 2022, thousands of Elisa employees celebrated Elisa's 140th anniversary in different countries under the theme "With a big heart". It was great to celebrate together with our dedicated and professional people, and I would like to thank each and every one of you for the excellent results this year and for your daily work to benefit our customers.

I would also like to thank our customers, shareholders, international partner network and other stakeholders for placing their trust in Elisa.

We will continue to focus on delivering relevant services, a great customer experience and high quality. Improved profitability, innovation, global expansion of our digital services, generating value through data and our strong investment ability will also provide a strong foundation for generating competitive added value in the future.

Veli-Matti Mattila
Chief Executive Officer

Elisa's 2022 in brief

2022 saw Elisa's 140th anniversary. In line with our mission, we deliver sustainable value to our customers and society.



Elisa's 5G network already covers over 86% of Finns and 70% of Estonians.

REVENUE, EUR BILLION

2.1

COMPARABLE EARNINGS PER SHARE, EUR

2.34

Q1

- Updated ambitious sustainability targets
- Ten-year wind power agreement
- Subscriptions donated to refugees from Ukraine and customer service in their native language launched

Q2

- Elisa Polystar grew with the acquisition of FRINX, a telecom network automation software supplier
- 5G network launched in Estonia
- Elisa, Nokia and Qualcomm achieved the world's fastest 5G network speed in Tampere, Finland

Q3

- Elisa's Polystar business grew with the acquisition of Cardinality, a provider of data ingestion and cloud-native capabilities
- Utilisation of waste heat from Elisa's data centre in a district heating network in the Helsinki metropolitan region started
- Elisa Viihde original series Summer of Sorrow became a critical and commercial success

Q4

- Elisa Viihde original series were sold to more than 60 countries
- 3G network shutdown continued – Hämeenlinna led the way to the 4G and 5G era
- Elisa was the first operator in Finland to launch a security service that centrally protects smart home devices

Elisa's mission is a sustainable future through digitalisation. We are a pioneer in telecommunications and digital services, and in 5G.

We provide sustainable solutions for over 2.8 million consumer, corporate and public administration customers in our core markets of Finland and Estonia, as well as in over 100 countries internationally.

In Finland, Elisa is a market leader in telecommunications, and our international cooperation partners include e.g. Vodafone and Tele2.

In 2022, our revenue was EUR 2.1 billion and we employed 5,600 people in more than 20 countries. Elisa is a carbon-neutral company.

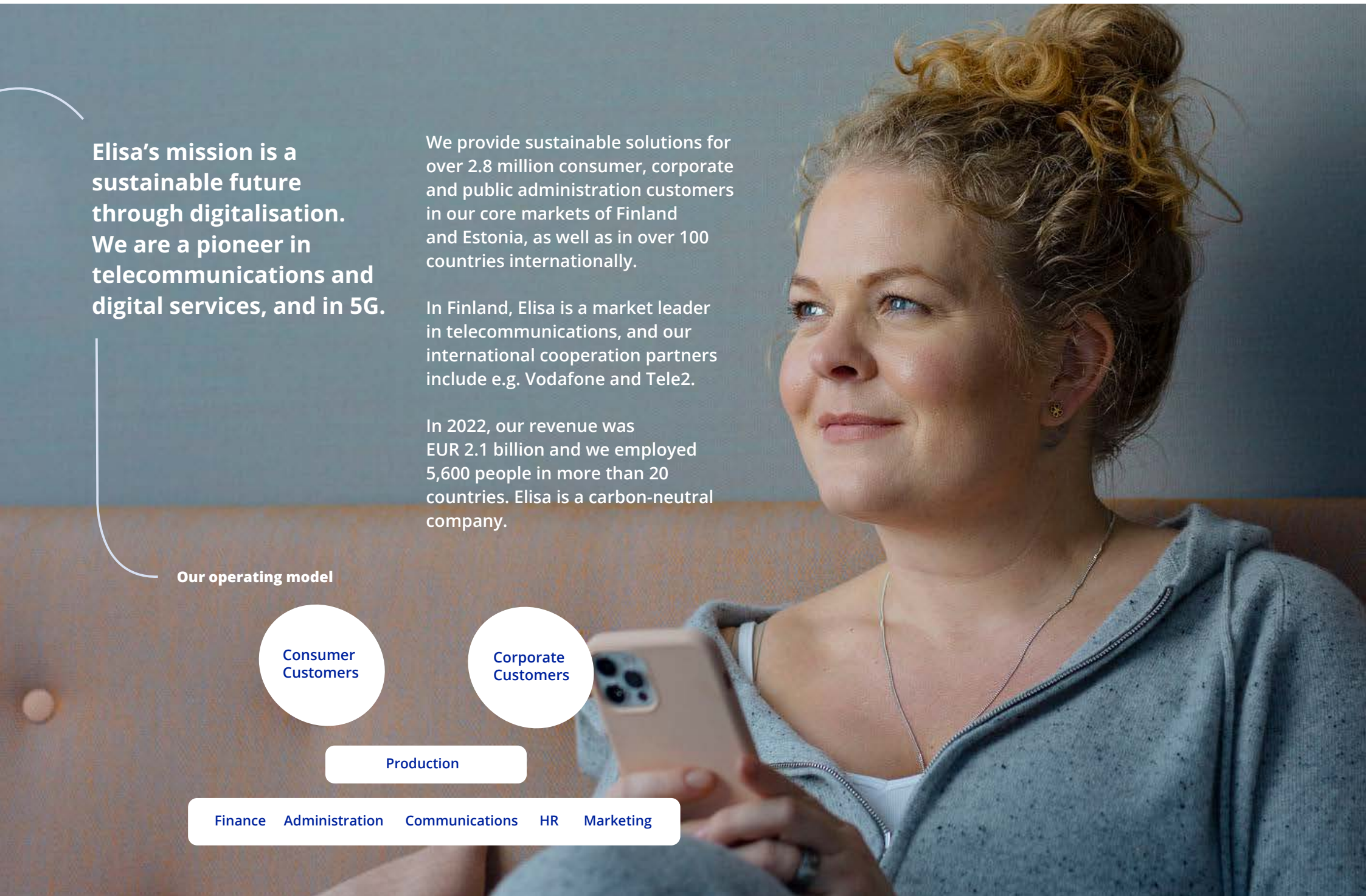
Our operating model

Consumer
Customers

Corporate
Customers

Production

Finance Administration Communications HR Marketing



Our mission:

A sustainable future through digitalisation

Our vision:

We are the global benchmark for generating value in communication and digital services.

Our constant pursuit of excellence and innovation makes us better every day.

Our strategy:

We innovate digital services to customers in own telecom footprint area and internationally with network-ownership independent services.

We engage people in building excellence.

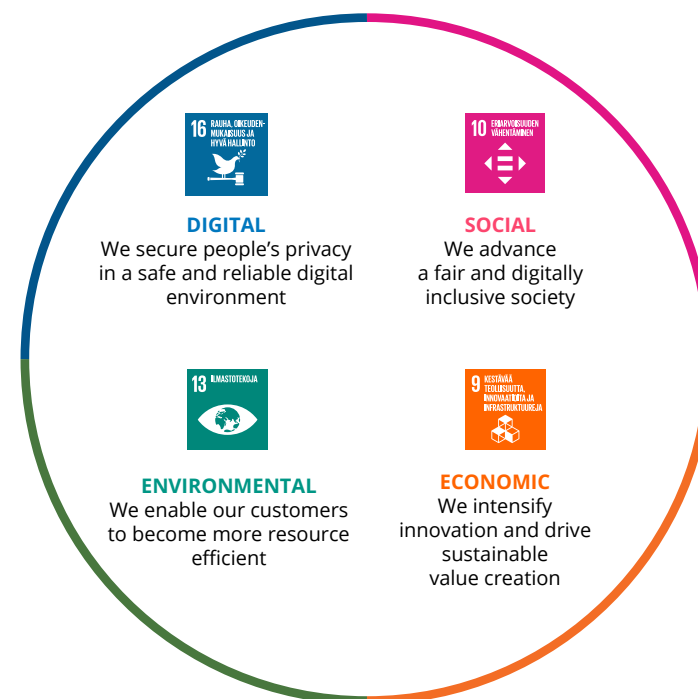
Strategic focus areas:

Increase mobile and fixed service revenues

Grow digital service businesses

Improve efficiency and quality

Our sustainability:



Our values:

Customer orientation

Responsibility

Renewal

Results orientation

Collaboration

BUSINESS REVIEW

2.

We achieved strong
results across all our
businesses





Consumer Customers

We continued our determined work to make our customers' everyday lives easier with fast 5G connections and services. We offered our customers more sustainable device options and expanded our digital security services.


New Elisa Viihde original series also attracted international interest. Our versatile customer service channels and popular online store serve our customers wherever and whenever they need.

Elisa's Consumer Customers business segment achieved a strong result in 2022. More and more customers chose a new-generation 5G device and subscription when switching to a new phone or internet connection.

We continued to strongly build our 5G and optical fibre networks. By the end of the year, our 5G network covered 227 locations in Finland and 20 in Estonia. We significantly expanded our optical fibre network across Finland, both in city centres and other population centres. Elisa's high-speed connections are already available to more than one million residential and commercial properties via an optical fibre connection or cable modem.

Sustainable and secure devices and services

Our customers value sustainable and secure recycling. Elisa is one of the largest phone retailers in Finland. We offer our customers more sustainable device options by selling used and refurbished phones.

 [Read more about the circular economy at Elisa](#)

We focused on securing our customers' devices by offering new solutions to improve information security and physical protection for devices. We also provided a more comprehensive range of digital security services by launching new services that increase security in an environment where cyber threats and related crime are on the rise.

We were the first operator in Finland to launch a security service that provides centralised protection

for smart home devices (Kodin Tietoturva). We also introduced Mobiiliturva, a service integrated into consumer and corporate mobile subscriptions that offers an easy way to manage your information security and detect scam messages that try to lead you to malicious sites.

In response to demand from our customers, we introduced new ways to offer a safe first experience for young phone users. Our wider range of children's smartwatches now includes more models from different manufacturers.

International interest in Elisa Viihde original series

During the year, we released several new highly popular original series on Elisa Viihde, such as *The Man who Died (Mies joka kuoli)*, *Summer of Sorrow (Munkkivuori)* and the third season of *All the Sins (Kaikki synnit)*. Elisa has already launched more than

30 original series, which have become a major export product, as they have been sold to more than 60 countries.

We also continued to build a strong domestic eSports culture. We organised the biggest international eSports tournament in the history of Finland in Espoo, reaching tens of millions of viewers globally. The event created unprecedented value for Finnish eSports.

Service regardless of time and place

We want to serve our customers in the best possible way and always through the channel that suits them best. We launched the Voicebot model for our customer service to utilise intelligent automation so that our customers can reach the right expert more quickly. The faster service was also reflected in increased customer satisfaction.

The number of active users of the OmaElisa service also continued to grow. OmaElisa has been updated, improving the clarity, ease of use and accessibility of the service.

Elisa's popular online store also continued to grow, especially in terms of 5G subscriptions and devices.

We are helping those affected by the war in Ukraine in many ways. In Finland and Estonia, we opened a Ukrainian-language customer service channel to help refugees find data connections and services.

Key figures for the Consumer Customers business segment

	2022	Change, %
Revenue, EURm	1,301	4.7
Comparable EBITDA, EURm	497	3.8
Comparable EBIT, EURm	323	6.0
Investments, EURm	191	12.9
Personnel	2,939	3.3

More than 30 original series have already been launched on Elisa Viihde.



Corporate Customers

In 2022, Russia's war of aggression in Ukraine also changed the security environment in Finland. Finnish organisations have faced an increased level of cyber threats, and the attacks have been more targeted than before.

Elisa has been involved in ensuring the digital security of Finnish companies and organisations.

Elisa's Corporate Customers business segment provides companies and public sector organisations digital services based on AI and automation, thus providing the benefits of digitalisation to society as a whole.

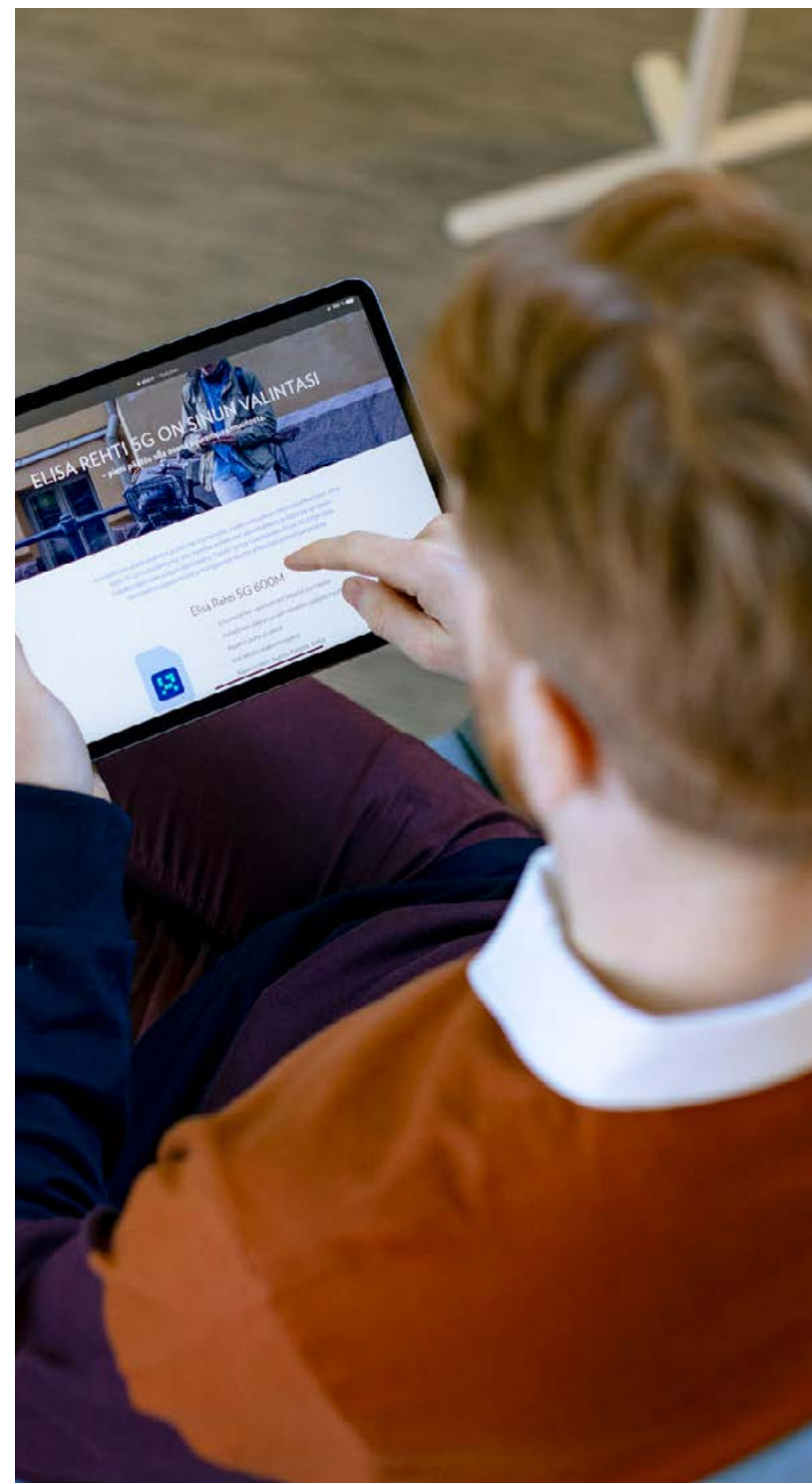
According to a study commissioned by Elisa in 2022, improving the detection of and response to information security incidents is considered the most important cybersecurity investment target. Elisa offers comprehensive information security services for the needs of different organisations.

Connectivity business secures connections

Our subscriptions and services business offers all companies and corporations fast, high-quality connections and secure access to the internet and corporate information systems.

For example, the management consulting business Deloitte, one of our customers, considers high-quality phones and subscriptions a valuable asset that streamlines modern hybrid work. A good employer image is built on an excellent expert experience, which is supported by relevant work, good management and a well-functioning working environment.

Meanwhile, collecting and using geographic data has helped Helsinki City Construction Services (Stara) boost its operations. Sensors placed in vehicles and on park benches, among other locations, provide geographic data via the Elisa mobile network to a data collection platform, where it is available to Stara's applications.





Key figures for the Corporate Customers business segment

	2022	Change, %
Revenue, EURm	829	9.7
Comparable EBITDA, EURm	238	5.0
Comparable EBIT, EURm	148	10.8
Investments, EURm	99	2.9
Personnel	2,684	6.3

With our network and information security services, we secure the continuity of companies operating in Finland and internationally with fast responses and recovery. Advanced automation guarantees transparency for customers in terms of both the network and services, as well as a smooth everyday life.

Ensuring continuity is a key part of the development of our operations. The starting points are active dialogue and communication with both customers and the authorities. We help build a culture of security and provide services to ensure digital security.

Corporate networks are extremely important in a digitising world, as the entire operations of global businesses rely on well-functioning data communications. Elisa was Valmet's main partner in the renewal of the company's global network, covering 150 locations and including everything from firewalls to internal office networks.

IT services support hybrid working

With IT services, we ensure the availability of applications and their rapid development, as well as location-independent working for companies and their employees. During the year, we assisted Fingrid, among other companies, in building a hybrid architecture combining on-premises and the cloud in a secure manner, complying with best practices.

We provide end-user and terminal services for OP Group. One of OP Group's strategic focus areas is to continuously improve the employee experience. In 2022, we upgraded workstation and user support services to meet the current requirements and ensure that new services can be flexibly developed to meet changing needs.

In the CX business, we assist companies and corporations to improve their customer experience by

developing seamless and automated customer processes. For Kiilto, we realised a customer relationship management solution to harmonise CRM and management across ten countries. Following successful deployment, Elisa's care service has ensured that the work of Kiilto's employees is smooth and that the solution will also continue to serve the needs of the business in the future.

Expansion of International Digital Services continued

The International Digital Services business grew during the year, driven by both increased sales and acquisitions. The acquisitions helped Elisa realise its strategy for international digital services.

Elisa's industrial software business, Elisa IndustrIQ, enables smart manufacturing for a variety of data-driven production plants and supply chains. The business developed positively, gaining new customers in the steel and electronics industries, among others. The development of new use cases based on AI and machine learning progressed well. The deployment of production anomaly and root cause analysis models was started for three major customers in the semiconductor industry.

Elisa's software business for teleoperators, Elisa Polystar, provides all the elements required for developing autonomous data networks, including data management, AI-based customer experience analytics and automation. In 2022, the business grew with the acquisition of two cloud-based software companies. Cardinality's portfolio includes analytics use cases and an AI-powered platform, while FRINX focuses on transmission network automation.

Elisa Videra delivered around a thousand Microsoft Teams Rooms for over 200 locations in more than 30 countries. The solutions support hybrid working and reduce the need to travel.



Personnel review

During the year, the COVID-19 continued to affect our staff and their working environment in all our operating countries.

Elisa's strong culture of flexible working, developed over more than a decade, provided a good basis for smooth hybrid working.



Our business is based on trust. We develop our remote and local working practices through team-specific practices, taking into account the needs of teams, clients, work and Elisa as a whole, as well as the value experienced by individuals. Contextually paced remote working delivers benefits that are harder to achieve when working remotely. This, combined with the freedom to choose where to work when possible, is valuable for Elisa employees.

As part of our personnel survey, we investigated our employees' experiences of hybrid working and the effectiveness of their practices. The vast majority of Elisians are satisfied with their way of working in terms of amount of time they spend at home and at the office.

As in the previous year, we continued with the CEO's regular virtual reviews of current events for all our employees and our strong communication to ensure that our employees are always aware of the impact of both internal and external key events influencing the company's business. During the year, we invested in mental health support services in departmental projects and in supporting aging employees by providing training to supervisors.

Elisa employees value good supervisory work and our non-discriminatory business culture

According to our employees, Elisa's key strengths are the support and feedback provided by supervisors, as well as the equality and lack of discrimination in the working community. The results of our personnel survey in these areas were better than the scores of



According to our employees, the support provided by supervisors and equality in the working community are Elisa's key strengths.

the top 10% of companies globally. Elisians are also very satisfied with our values-based approach and culture of continuous improvement. These strengths lay an important foundation for our work.

Our main indicator, the Elisa Engagement Score, measures employee satisfaction and how likely employees are to recommend us to others. The score at the end of the year was 77 out of 100 (79 in 2021). A similar slight downward trend can be seen internationally when the scores are compared to pre-pandemic levels.

Elisa's management principles are based on shared values and targets, clearly defined goals and coaching. Coaching leadership and regular discussions between supervisors and employees are key parts of management at Elisa.

We launched a new international intranet together with our subsidiaries. At the end of the year, we established a European Works Council to further develop our dialogue with our employees across Europe.

Learning and education

Elisians feel that they can learn, develop and try new things in a safe and equitable environment. We also support learning through experimentation and continuous improvement methods. The best learning support is provided by professional communities, which Elisa has in the fields of cyber security, cloud services and design, among others.



[Read more about innovations by Elisa employees and the diversity and equality measures in our sustainability report](#)

Recruitment

Elisa is perceived as an attractive employer that increasingly offers international career opportunities in more than 20 countries. In Finland, Elisa is a significant employer in several locations, and a large part of our jobs are location-independent.

In our recruitment activities, we have improved the candidate experience by further developing our recruitment practices to make them more equitable.

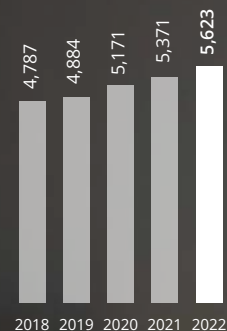
In line with our target, we increased the proportion of women in supervisory positions in our Finnish operations. People of different genders must be interviewed for each supervisory position. We also continued to develop gender-neutral job advertisements.



[Read more about Elisa as an employer and diversity at Elisa](#)

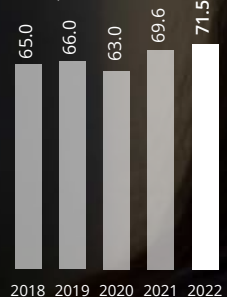
Number of employees*

persons



Personnel costs per employee*

EUR 1,000



Revenue per employee*

EUR 1,000



*Based on person-years as of 31 December 2022

Elisians internationally



ENGAGEMENT SCORE OF ELISA
EMPLOYEES IN TERMS OF TRUST
IN THE SUPERVISOR

91/100

NEW RECRUITMENTS

1,848

LEARNING AND OBJECTIVES
DISCUSSIONS

6,264

ELISIAN KATA COACHES

319

A person is sitting, holding a tablet with both hands. The tablet screen shows a news article with a photo of a person on a bicycle. The headline on the screen reads "ELISA REHTI 5G ONSINUN VALINTASI". Below the headline, there is a sub-headline and some text. The person is wearing a light-colored sweater and dark blue jeans. In the background, there is a large screen displaying abstract, colorful patterns. On the right side of the image, there is a large white number "4." and the text "INVESTOR INFORMATION" above it. Below the number, the text "Sustainability enables profit and growth" is written. A white curved line is also visible on the right side of the image.

INVESTOR INFORMATION

4.

Sustainability enables
profit and growth

Investor information

Guidance for 2023

Revenue	Same level or slightly higher than in 2022
Comparable EBITDA	Same level or slightly higher than in 2022, 1H23 growth potential more challenging
CAPEX/sales	≤ 12%

Medium-term financial targets by the end of 2025

Revenue growth 2022–2025	CAGR > 2%
EBITDA growth 2022–2025	CAGR > 3%
CAPEX/sales	≤ 12%
Net debt/EBITDA	1.5–2×
Equity ratio	> 35%

Outlook and guidance 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.

Distribution policy

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. Profit distribution includes dividend payment, capital repayment and purchase of treasury shares.

Annual General Meeting

Elisa's Annual General Meeting will be held on 5 April 2023. More information on the AGM and the invitation at elisa.com/agm

Payment of dividends

The Board of Directors proposes to the AGM that the profit for the financial period 2022 be added to accrued earnings and that a dividend of EUR 2.15 per share be paid based on the adopted balance sheet of 31 December 2022. The record date of the dividend payment is 11 April 2022, and the date of the dividend payment is 19 April 2023.

Listing of Elisa's shares

Elisa's shares are listed on the Nasdaq Helsinki and are registered in the Finnish book-entry register maintained by Euroclear Finland Ltd.

Publication dates in 2023

- 20 April 2023: Interim Report Q1 2023
- 14 July 2023: Half-Year Financial Report 2023
- 19 October 2023: Interim Report Q3 2023

Financial information

Elisa publishes its financial reports and bulletins in Finnish and English. The Annual Report, Half-year report, Interim Reports, information on the AGM, stock exchange releases and other information for investors, as well as the Disclosure Policy, are available on the Elisa website at elisa.com/investors.

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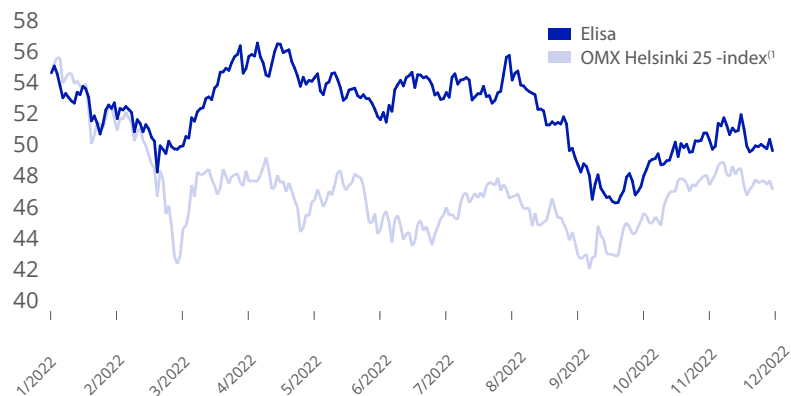
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Daily price development

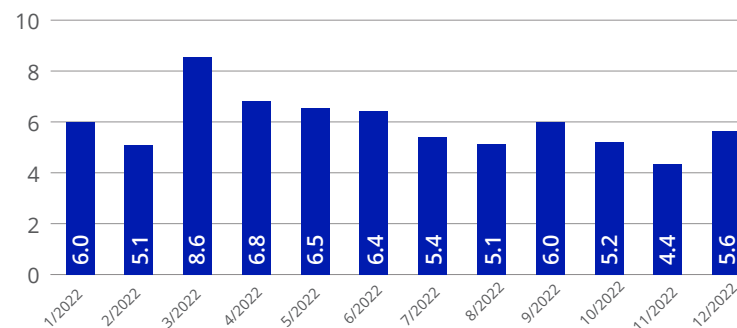
Closing price in EUR



⁽¹⁾ Rebased on Elisa's share price

Trading volume

Shares per month (million)



Trading in Nasdaq Helsinki