

Financial Results

2021

27 January 2022



ELISA'S FINANCIAL STATEMENT RELEASE 2021

Fourth quarter 2021 financial highlights

- Revenue increased by EUR 37m to EUR 536m, mainly due to the camLine acquisition, Elisa Viihde Viaplay cooperation and growth in mobile revenue.
- Mobile service revenue increased by 6.1 per cent to EUR 222m.
- Comparable EBITDA grew by EUR 7m to EUR 178m.
- Comparable EBIT increased by EUR 8m to EUR 111m.
- Comparable cash flow decreased by EUR 12m to EUR 87m, mainly due to higher capital expenditure and a change in net working capital.
- In Finland, mobile post-paid ARPU increased to EUR 20.7 (20.1 in the previous quarter), and mobile post-paid churn increased to 20.5 per cent (16.3).
- During the quarter, the net increase in post-paid mobile subscriptions was 7,100. M2M and IoT subscriptions contributed was +17,200.
- Prepaid subscriptions decreased by 10,300 during the quarter.
- The number of fixed broadband subscriptions decreased by 200 during the quarter.

Key indicators

EUR million	4Q21	4Q20	Δ %	2021	2020	Δ %
Revenue	536	498	7.5 %	1,998	1,895	5.5 %
EBITDA	176	171	2.5 %	697	685	1.8 %
Comparable EBITDA ⁽¹⁾	178	171	4.0 %	706	685	3.0 %
EBIT	109	97	11.7 %	431	409	5.3 %
Comparable EBIT ⁽¹⁻²⁾	111	103	7.6 %	439	415	5.8 %
Profit before tax	105	98	6.6 %	418	398	5.0 %
Comparable profit before tax ⁽¹⁻³⁾	108	99	8.7 %	427	399	7.0 %
EPS, EUR	0.54	0.51	4.5 %	2.15	2.05	4.7 %
Comparable EPS, EUR	0.55	0.51	7.8 %	2.19	2.05	6.9 %
Capital expenditure	82	65	24.9 %	265	266	-0.4 %
Net debt	1,219	1,207	1.0 %	1,219	1,207	1.0 %
Net debt / EBITDA ⁽⁴⁾	1.7	1.8		1.7	1.8	
Gearing ratio, %	101.2 %	101.9 %		101.2 %	101.9 %	
Equity ratio, %	39.9 %	39.1 %		39.9 %	39.1 %	
Cash flow	85	53	60.3 %	322	300	7.2 %
Comparable cash flow ⁽⁵⁾	87	99	-11.7 %	338	351	-3.9 %

¹⁾ 4Q21 excluding EUR 3m and 2021 excluding EUR 8m in restructuring costs. ²⁾ 4Q20 and 2020 excluding goodwill write-down of EUR 6m. ³⁾ 4Q20 and 2020 excluding EUR 6m capital gain from sale of Sulake shares. ⁴⁾ (Interest-bearing debt – financial assets) / (four previous quarters' comparable EBITDA). ⁵⁾ 4Q21 excluding EUR 2m in share investments and 2021 excluding EUR 16m in share investments. 4Q20 excluding EUR 49m in share investments and EUR 3m from sale of shares; 2020 excluding EUR 57m in share investments and EUR 6m from sale of shares.

The Board of Directors proposes to the Annual General Meeting a dividend of EUR 2.05 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: strong performance and successful 5G business growth continued

Elisa continued its solid development. Revenue increased by 8 per cent to EUR 536 million from the previous year. Comparable EBITDA improved by 4 per cent to EUR 178 million and comparable earnings per share by 8 per cent, to EUR 0.55. Despite the restrictions and lockdowns due to the COVID-19 situation, we achieved a strong result. Full-year revenue for 2021 increased by 5 per cent over the previous year, comparable EBITDA by 3 per cent and comparable earnings per share by 7 per cent.

In 2021, Elisa continued its strong leadership in the development of 5G. During the year, 5G coverage expanded from 2 million to over 4 million Finns in over 150 locations, and the latest independent operator study at the end of the year¹⁾ again confirmed that Elisa's network is the most comprehensive. Data usage in our mobile networks grew by 21 per cent, mainly due to growth in 5G usage.

Nearly 90 per cent of mobile phones sold are now 5G devices. We were the first to launch a sustainable 5G subscription in Finland. Elisa Rehti 5G compensates for the carbon footprint of the manufacturing and usage of the phone as well as providing identity protection.

The Finnish public safety network Virve is transitioning to broadband technology, and the service will use Elisa's nationwide 4G and 5G mobile networks. The authorities will have access to privileged subscriptions and new functions (e.g. speech recognition) that will improve the efficiency of incident management and communication. Elisa is the sole supplier for this Finnish government-owned network.

The international digital services business progressed well during the quarter. Revenues as well as the order backlog grew strongly.

During the fourth quarter, the COVID-19 pandemic intensified, and we focused on providing sustainable and innovative digital solutions to our customers and ensuring a safe working and business environment. We received from RAKLI²⁾ the *Vuoden ympäristöteko* ("Working Environment Act of the Year") award for our actions in utilising digitalisation to support our personnel in moving to remote and hybrid working, and for the help we have provided to our partners during the pandemic.

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

¹⁾ *BofTel: Operator comparison September 2021*

²⁾ *RAKLI is a Finnish association of professional property owners, real estate investors, corporate real estate managers and construction clients*

FINANCIAL STATEMENTS 2021

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

Market situation

The competitive environment has been active, especially in 4G subscriptions. The COVID-19 pandemic continued to impact the market situation to some extent. The amount of travel has been very low, although it increased slightly towards the end of the year. 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 the 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	4Q21	4Q20	Δ %	2021	2020	Δ %
Revenue	536	498	7.5 %	1,998	1,895	5.5 %
EBITDA	176	171	2.5 %	697	685	1.8 %
EBITDA-%	32.8 %	34.4 %		34.9 %	36.2 %	
Comparable EBITDA ¹⁾	178	171	4.0 %	706	685	3.0 %
Comparable EBITDA-%	33.3 %	34.4 %		35.3 %	36.2 %	
EBIT	109	97	11.7 %	431	409	5.3 %
EBIT-%	20.3 %	19.5 %		21.6 %	21.6 %	
Comparable EBIT ¹⁻²⁾	111	103	7.6 %	439	415	5.8 %
Comparable EBIT-%	20.8 %	20.8 %		22.0 %	21.9 %	
Return on equity, %	28.8 %	28.1 %		28.8 %	28.1 %	

¹⁾ 4Q21 excluding EUR 3m and 2021 excluding EUR 8m in restructuring costs. ²⁾ 4Q20 and 2020 excluding goodwill write-down of EUR 6m.

Fourth quarter 2021

Revenue increased by 8 per cent, mostly due to the camLine acquisition and Elisa Viihde Viaplay cooperation, as well as growth in mobile and fixed services, domestic digital services and equipment sales. EBITDA includes EUR 3 million in one-off restructuring costs relating to personnel reductions. Comparable EBITDA increased by 4 per cent, as efficiency improvements and revenue growth impacted EBITDA positively. Comparable EBIT grew by 8 per cent.

Net financial income and expenses decreased to EUR -3 million (+1, excluding the sale of Sulake shares -5), mainly due to refinancing in January 2021. Income taxes in the income statement amounted to EUR -19 million (-16). Net profit was EUR 86 million (82), and earnings per share were EUR 0.54 (0.51). Comparable earnings per share were EUR 0.55 (0.51).

Year 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 and other fixed services as well as interconnection and roaming affected revenue negatively.

EBITDA includes EUR 8 million in one-off restructuring costs relating to personnel reductions. Comparable EBITDA increased by 3 per cent and comparable EBIT by 6 per cent, mainly due to revenue growth and efficiency improvement measures.

Net financial income and expenses decreased to EUR -12 million (-13, excluding the sale of Sulake shares -18), mainly due to the refinancing in January. Income taxes in the income statement were EUR -75 million (-70). Net profit was EUR 343 million (328), and earnings per share were EUR 2.15 (2.05). Comparable earnings per share were EUR 2.19 (2.05).

Financial position

EUR million	4Q21	4Q20	Δ %	2021	2020	Δ %
Net debt	1,219	1,207	1.0 %	1,219	1,207	1.0 %
Net debt / EBITDA ¹⁾	1.7	1.8		1.7	1.8	
Gearing ratio, %	101.2 %	101.9 %		101.2 %	101.9 %	
Equity ratio, %	39.9 %	39.1 %		39.9 %	39.1 %	
Cash flow	85	53	60.3 %	322	300	7.2 %
Comparable cash flow ²⁾	87	99	-11.7 %	338	351	-3.9 %

¹⁾ (Interest-bearing debt – financial assets) / (four previous quarters' comparable EBITDA) ²⁾ 4Q21 excluding EUR 2m in share investments; 2021 excluding EUR 16m in share investments; 4Q20 excluding EUR 49m in share investments and EUR 3m from sale of shares; 2020 excluding EUR 57m in share investments and EUR 6m from sale of shares.

Fourth quarter 2021

Net debt increased by EUR 12 million to EUR 1,219 million (1,207), mainly due to acquisitions and higher dividend payments. Comparable cash flow decreased by 12 per cent to EUR 87 million (99). Higher EBITDA, as well as lower interest and taxes paid affected cash flow positively. Less positive change in net working capital due to increased inventories, and higher capital expenditure affected cash flow negatively.

The financial position and liquidity are strong. Cash and undrawn committed credit lines totalled EUR 414 million at the end of the quarter.

Year 2021

Comparable cash flow after investments decreased by 4 per cent to EUR 338 million (351). Higher EBITDA and lower interest paid affected cash flow positively. A less-positive change in net working capital due to increased inventories, as well as higher taxes paid and capital expenditure, affected cash flow negatively.

Changes in corporate structure

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

In November 2021, TenForce NV's subsidiary TenForce USA LLC acquired 100 per cent of the US-based Process Data Control Corporation.

Consumer Customers business

EUR million	4Q21	4Q20	Δ %	2021	2020	Δ %
Revenue	327	313	4.6 %	1,241	1,183	4.9 %
EBITDA	118	117	0.9 %	475	461	3.1 %
EBITDA-%	36.1 %	37.4 %		38.3 %	38.9 %	
Comparable EBITDA ¹⁾	119	117	1.7 %	478	461	3.7 %
Comparable EBITDA-%	36.3 %	37.4 %		38.5 %	38.9 %	
EBIT	78	72	8.9 %	314	291	8.1 %
EBIT-%	23.9 %	23.0 %		25.3 %	24.6 %	
Comparable EBIT ¹⁻²⁾	79	74	6.3 %	317	293	8.1 %
Comparable EBIT-%	24.2 %	23.8 %		25.6 %	24.8 %	
CAPEX	54	43	27.3 %	169	170	-0.8 %

¹⁾ 4Q21 excluding EUR 1m and 2021 excluding EUR 3m in restructuring costs. ²⁾ 4Q20 and 2020 excluding a goodwill write-down of EUR 2.5m.

Fourth quarter 2021

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 fixed services affected revenue negatively. EBITDA includes EUR 1 million in one-off restructuring costs relating to personnel reductions. Comparable EBITDA increased by 2 per cent, mainly due to revenue growth and efficiency improvements.

Year 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 fixed services. EBITDA includes EUR 3 million in 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	4Q21	4Q20	Δ %	2021	2020	Δ %
Revenue	209	186	12.4 %	757	711	6.4 %
EBITDA	58	54	5.9 %	222	224	-0.9 %
EBITDA-%	27.6 %	29.3 %		29.4 %	31.6 %	
Comparable EBITDA ¹⁾	59	54	9.0 %	228	224	1.5 %
Comparable EBITDA-%	28.4 %	29.3 %		30.1 %	31.6 %	
EBIT	31	26	19.5 %	116	118	-1.4 %
EBIT-%	14.7 %	13.8 %		15.4 %	16.6 %	
Comparable EBIT ¹⁾	32	29	10.8 %	122	122	0.3 %
Comparable EBIT-%	15.5 %	15.7 %		16.1 %	17.1 %	
CAPEX	27	23	20.3 %	96	96	0.2 %

¹⁾ 4Q21 excluding EUR 2m and 2021 excluding EUR 6m in restructuring costs. ²⁾ 4Q20 and 2020 excluding goodwill write-down of EUR 3.5m.

Fourth quarter 2021

Revenue grew by 12 per cent. Revenue was positively affected by the camLine acquisition, mobile and fixed services, domestic digital services and equipment sales. EBITDA includes EUR 2 million in one-off restructuring costs relating to personnel reductions. Comparable EBITDA increased by 9 per cent, mainly due to revenue growth and efficiency improvements.

Year 2021

Revenue increased by 6 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 6 million in one-off restructuring costs relating to personnel reductions. Comparable EBITDA increased by 2 per cent.

Personnel

In 2021, the average number of personnel at Elisa was 5,391 (5,097) and employee expenses totalled EUR 374 million (326). Personnel by segment at the end of the period:

	2021	2020
Consumer Customers	2,845	2,914
Corporate Customers	2,526	2,257
Total	5,371	5,171

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

Investments

EUR million	4Q21	4Q20	2021	2020
Capital expenditure ⁽¹⁾ , of which	82	65	265	266
Consumer Customers	54	43	169	170
Corporate Customers	27	23	96	96
Shares	3	66	28	70
Total	84	131	293	336
Capital expenditure excluding leasing	75	64	247	245

¹⁾ 2020 includes EUR 7m for the 26 GHz frequency licence investment.

The main capital expenditures related to the coverage increases in the 5G network, as well as to other network and IT investments. Capital expenditure in 4Q21 includes EUR 7 million of leased assets, and EUR 18 million in 2021.

Financing arrangements and ratings

EUR million	Maximum amount	In use on 31 Dec 2021
Committed credit limits	300	0
Commercial paper programme (not committed)	350	0
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 a EUR 130 million, sustainability-linked revolving credit facility with six banks. The facility has a five-year maturity with an option to extend it 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	4Q21	4Q20	2021	2020
Nasdaq Helsinki, millions	16.7	29.0	81.6	122.5
Other marketplaces, millions ¹⁾	36.8	57.4	167.3	264.3
Total volume, millions	53.5	86.4	248.9	386.8
Value, EUR million	2,870.9	3,948.1	12,698.1	19,803.8
% of shares	32.0 %	51.6 %	148.7 %	231.2 %

Shares and market values	2021	2020
Total number of shares	167,335,073	167,335,073
Treasury shares	7,147,772	7,252,165
Outstanding shares	160,187,301	160,082,908
Closing price, EUR	54.12	44.87
Market capitalisation, EUR million	9,056	7,508
Treasury shares, %	4.27 %	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 ²⁾		-95,241	95,241
Restricted Share Plan 18 Jun 2021 ³⁾		-9,152	9,152
Shares on 31 Dec 2021	167,335,073	7,147,772	160,187,301

¹⁾ Other marketplaces: based on Bloomberg. ²⁾ Stock exchange release, 2 February 2021. ³⁾ Stock exchange release, 18 June 2021.

On 2 February 2021, Elisa transferred 95,241 treasury shares to people involved in the Performance Share Plan for the period 2018–2020. On 18 June 2021, Elisa transferred 9,152 treasury shares to people involved in the Restricted Share Plan.

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 16 million (10) in research and development, of which EUR 7 million (8) was capitalised in 2021, corresponding to 0.8 per cent (0.5) of revenue.

Annual General Meeting 2021

On 8 April 2021, Elisa's Annual General Meeting decided to pay a dividend of EUR 1.95 per share based on the adopted financial statements of 31 December 2020. The dividend was paid to shareholders registered in the company's share register maintained by Euroclear Finland Ltd on 12 April 2021. The dividend was paid on 20 April 2021.

The Annual General Meeting adopted the financial statements for 2020. The members of the Board of Directors and the CEO were discharged from liability for 2020.

The number of the members of the Board of Directors was confirmed at eight. Ms Clarisse Berggårdh, Mr Kim Ignatius, Mr Topi Manner, Ms Eva-Lotta Sjöstedt, Ms Seija Turunen, Mr Anssi Vanjoki and Mr Antti Vasara were re-elected as members of the Board of Directors, and Mr Maher Chebbo as a new member 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 now paid annual remuneration of EUR 126,000, the Deputy Chair and the Chairs of the Committees EUR 84,000, and other Board members EUR 69,000; additionally, they receive EUR 800 per meeting of the Board and of a committee. However, if a Board member lives permanently outside Finland and 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.

The audit firm KPMG Oy Ab was re-elected as the company's auditor. Mr 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 Eva-Lotta Sjöstedt and Mr Antti Vasara to the People and Compensation Committee. Ms Seija Turunen (Chair), Mr Kim Ignatius and Mr Topi Manner 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 Limited Liability Companies Act. 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 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 Pölönen, President and CEO, nominated by Ilmarinen Mutual Pension Insurance Company
- Mr Reima Rytsölä, 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 January 2021, new provisions related to national security in Finnish networks came into force. The new rules prohibit the use, in the critical parts of a network, of communications network devices that could endanger national security. The provision also applies retroactively to current network devices. The critical parts of a network are defined at a general level in the legislation. The Finnish Transport and Communications Agency has defined the critical parts of a network more precisely. An entitlement to compensation may be possible if a network device is prohibited.

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. Elisa has appealed the decision.

The European Commission's delegated act based on the European Electronic Communications Code directive, which sets out single, maximum, EU-wide mobile and fixed voice termination rates, came into force on 1 July 2021. The mobile voice termination rate will decrease to 0.2 cents per minute (previously it was 0.82 in Finland and 0.7 in Estonia) on a glide path until 2024. The fixed voice termination rate has decreased to 0.07 cents per minute (previously 2.8 in Finland and 0.089 in Estonia). These changes will not have any material impact on Elisa's profits.

On 24 November 2021, the Estonian parliament adopted amendments to the Electronic Communications Act aimed at supplementing national security requirements. The amendments enter into force on 1 February 2022. According to the amendments, 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 only until 31 December 2025, and until 31 December 2029 in earlier generation (2G–4G) networks and fixed networks.

The start date of the Estonian 3.5 GHz spectrum auction has not yet been announced. The frequencies can be used for 5G networks.

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 the distribution agreement and also of wrongful termination of the distribution agreement. Related to this legal proceeding, an arbitration award was granted in December 2021 according to which Emblasoft Group AB is entitled to withdraw a certain deposit held as collateral for claims made by Elisa. Elisa estimates that these legal proceedings will have no material financial implications.

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 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 continued to operate 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.

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 is a pioneer in environmental work: the company is carbon neutral, and the company 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 renewed 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 ninth assured responsibility report as part of the Annual Report 2021 during week 11 (beginning 14 March 2022). The responsibility report has been prepared according to the Global Reporting Initiative Standards, including selected indicators from the SASB Telecommunication Services Standard, and 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 addition, Elisa will publish data related to the Task Force on Climate-related Financial Disclosures (TCFD) on the company website.

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.

2021 Corporate Governance Statement, Remuneration Report and Annual Report

Elisa's Corporate Governance Statement and Remuneration Report for 2021 will be published during week 5 (beginning 31 January). Elisa will publish its 2021 Annual Report, which contains the report by the Board of Directors, Financial Statements, Non-financial Report, Corporate Governance Statement and Remuneration Report, during week 11 (beginning 14 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 2022

Growth in the Finnish economy is expected to continue. However, there are some uncertainties, such as inflation and changes in the geopolitical environment. 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 2021. 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 2021. 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 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 2.05 per share. The dividend payment corresponds to 94 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 8 April 2022 are entitled to funds distributed by the General Meeting. The Board of Directors

proposes that the payment date be 20 April 2022. 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 2022.

Consolidated income statement

EUR million	Note	10-12 2021	10-12 2020	1-12 2021	1-12 2020
Revenue	1	535.5	498.2	1,997.9	1,894.6
Other operating income		1.8	1.6	9.0	4.1
Materials and services		-212.2	-199.7	-763.6	-713.7
Employee expenses		-100.4	-82.7	-373.8	-325.7
Other operating expenses		-49.2	-46.1	-172.2	-174.2
EBITDA	1	175.5	171.2	697.4	685.2
Depreciation, amortisation and impairment	1	-66.8	-73.9	-266.6	-276.2
EBIT	1	108.7	97.3	430.8	409.0
Financial income		0.9	6.3	4.6	8.7
Financial expenses		-4.4	-5.4	-16.5	-21.2
Share of associated companies' profit		-0.2	0.3	-0.5	1.9
Profit before tax		105.0	98.5	418.4	398.3
Income taxes		-19.0	-16.2	-74.9	-70.2
Profit for the period		86.0	82.3	343.5	328.1
Attributable to					
Equity holders of the parent		86.0	82.2	343.6	328.0
Non-controlling interests		0.0	0.0	-0.2	0.1
		86.0	82.3	343.5	328.1
Earnings per share (EUR)					
Basic		0.54	0.51	2.15	2.05
Diluted		0.54	0.51	2.15	2.05
Average number of outstanding shares (1000 shares)					
Basic		160,187	160,083	160,174	160,066
Diluted		160,187	160,083	160,174	160,066
Consolidated statement of comprehensive income					
Profit for the period		86.0	82.3	343.5	328.1
Other comprehensive income, net of tax					
Items, which may be reclassified subsequently to profit or loss					
Cash flow hedge		0.6	0.2	0.9	0.4
Translation differences		-0.2	4.1	-1.2	3.1
		0.3	4.3	-0.3	3.5
Items that are not reclassified subsequently to profit or loss					
Remeasurements of the net defined benefit liability		-2.8	4.5	-2.8	4.5
Total comprehensive income		83.6	91.1	340.4	336.1
Total comprehensive income attributable to					
Equity holders of the parent		83.6	91.2	340.5	336.1
Non-controlling interest		0.0	0.0	-0.1	0.0
		83.6	91.1	340.4	336.1

Consolidated statement of financial position

EUR million	Note	31.12. 2021	31.12. 2020
Non-current assets			
Property, plant and equipment	3	752.7	735.1
Right-of-use assets	3	91.0	94.6
Goodwill	3	1,139.4	1,131.4
Intangible assets	3	198.1	210.1
Investments in associated companies	12	10.6	1.4
Other financial assets	4	16.4	15.6
Trade and other receivables	4	103.2	94.9
Deferred tax assets		13.1	11.9
		2,324.5	2,295.1
Current assets			
Inventories		82.8	67.9
Trade and other receivables		506.3	457.8
Tax receivables		0.7	0.5
Cash and cash equivalents		114.1	220.1
		703.9	746.3
Total assets	1	3,028.4	3,041.4
Equity attributable to equity holders of the parent			
	6	1,197.8	1,182.7
Non-controlling interests			
		6.3	1.5
Total shareholders' equity		1,204.1	1,184.2
Non-current liabilities			
Deferred tax liabilities		25.3	26.2
Interest-bearing financial liabilities	4, 7	1,141.4	1,136.8
Lease liabilities, interest-bearing	4	73.4	78.8
Trade payables and other liabilities	4, 5	41.0	32.2
Pension obligations		14.4	11.0
Provisions	8	2.8	2.9
		1,298.3	1,288.0
Current liabilities			
Interest-bearing financial liabilities	4, 7	100.2	193.5
Lease liabilities, interest-bearing	4	18.1	17.7
Trade and other payables	4, 5	401.6	356.3
Tax liabilities		2.9	1.2
Provisions	8	3.1	0.5
		526.0	569.2
Total equity and liabilities		3,028.4	3,041.4

Condensed consolidated cash flow statement

EUR million	1-12 2021	1-12 2020
Cash flow from operating activities		
Profit before tax	418.4	398.3
Adjustments		
Depreciation, amortisation and impairment	266.6	276.2
Other adjustments	-2.9	-4.9
	263.7	271.3
Change in working capital		
Increase (-) / decrease (+) in trade and other receivables	-31.7	11.2
Increase (-) / decrease (+) in inventories	-17.6	-1.2
Increase (+) / decrease (-) in trade and other payables	52.6	2.6
	3.3	12.7
Financial items, net	-14.0	-14.7
Taxes paid	-75.7	-67.6
Net cash flow from operating activities	595.7	600.0
Cash flow from investing activities		
Capital expenditure	-258.8	-249.2
Investments in shares and business combinations	-15.7	-56.5
Loans granted	-0.5	
Proceeds from disposal of assets	0.8	5.7
Net cash used in investing activities	-274.1	-300.0
Cash flow before financing activities	321.6	300.0
Cash flow from financing activities		
Proceeds from long-term borrowings	100.4	297.8
Repayments of long-term borrowings	-174.1	
Increase (+) / decrease (-) in short-term borrowings	-19.6	-113.5
Repayment of lease liabilities	-23.1	-20.8
Acquisition of non-controlling interests		-0.1
Dividends paid	-310.9	-295.7
Net cash used in financing activities	-427.4	-132.4
Change in cash and cash equivalents	-105.8	167.6
Translation differences	-0.2	0.6
Cash and cash equivalents at beginning of period	220.1	52.0
Cash and cash equivalents at end of period	114.1	220.1

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 2020	83.0	-132.2	90.9	370.8	737.0	0.7	1,150.3
Profit for the period					328.0	0.1	328.1
Translation differences					3.2	-0.1	3.1
Cash flow hedge				0.4			0.4
Remeasurements of the net defined benefit liability				4.5			4.5
Total comprehensive income				4.9	331.2	0.0	336.1
Dividend distribution					-296.2	-0.1	-296.2
Share-based compensation		3.8					3.8
Acquisition of subsidiary with non-controlling interests						1.0	1.0
Increase in ownership interests in subsidiaries that do not result in change of control					0.0	-0.1	-0.1
Other changes					-10.6		-10.6
Balance at 31 December 2020	83.0	-128.4	90.9	375.7	761.5	1.5	1,184.2
EUR million							
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

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 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. The agenda decision does not have a material impact on the accounting policies applied to implementation costs in a cloud computing arrangement.

1. Segment information

10-12/2021 EUR million	Consumer Customers	Corporate Customers	Unallocated items	Group total
Revenue	327.0	208.6		535.5
EBITDA	117.9	57.6		175.5
Depreciation, amortisation and impairment	-39.8	-27.0		-66.8
EBIT	78.1	30.6		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
10-12/2020 EUR million	Consumer Customers	Corporate Customers	Unallocated items	Group total
Revenue	312.6	185.6		498.2
EBITDA	116.9	54.4		171.2
Depreciation, amortisation and impairment	-45.1	-28.8		-73.9
EBIT	71.7	25.6		97.3
Financial income			6.3	6.3
Financial expenses			-5.4	-5.4
Share of associated companies' profit			0.3	0.3
Profit before tax				98.5
Investments	42.6	22.7		65.3

1-12/2021	Consumer	Corporate	Unallocated	Group
EUR million	Customers	Customers	items	total
Revenue	1,241.3	756.6		1,997.9
EBITDA	475.1	222.3		697.4
Depreciation, amortisation and impairment	-160.7	-105.8		-266.6
EBIT	314.4	116.5		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
1-12/2020	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
Profit before tax				398.3
Investments	170.1	96.1		266.2
Total assets	1,802.5	989.4	249.5	3,041.4

2. Acquisitions and disposals

Acquisition of TenForce NV

On 31 August 2021, Elisa acquired 50.1 per cent of TenForce NV, a Belgian provider of environmental, health, safety and quality (EHSQ) and operational risk management software. TenForce serves 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 Elisa IndustriQ business. TenForce provides Elisa with cross-selling opportunities across its customer base and brings a complementary offering and skills, especially with its deep understanding of process industries and their critical features.

The price paid for the acquisition was EUR 15.1 million, of which EUR 10 million was carried out as directed share issue. EUR 0.8 million of the total acquisition price was allocated to the customer base, which will be amortised over four years, and EUR 0.6 million to software, which will also be amortised over four years. The acquisition resulted in EUR 8.9 million of goodwill relating to growing Elisa's digital businesses internationally and strengthening Elisa's IndustriQ business. The calculation of the allocation of the acquisition price is preliminary, as the valuation of the acquired net assets has not been fully completed.

The acquisition generated a non-controlling interest amounting to EUR 5.1 million, which is included in the non-controlling interest balance sheet item. The non-controlling interest is measured at a proportionate share of the acquiree's identifiable net assets.

The acquisition contract includes an option for Elisa to redeem and for non-controlling interests to sell the remaining 49.9 per cent of the shares in 2026. The liability for the redemption of the remaining shares has been recognised in the financial statements. The initial recognition of the liability and any changes in it are treated as equity transactions.

The acquired company has been consolidated from 1 September 2021 onwards. External revenue after the acquisition was EUR 1.9 million, and the impact on Group's profit for the period was EUR -0.4 million. Had the acquisition been made as of the beginning of the year 2021, the impact on Group revenue would have been EUR 5.5 million and the effect on profit for the period EUR -0.6 million.

Consideration transferred	
EUR million	Preliminary
Cash paid	15.1
Total acquisition price	15.1
Analysis of net assets acquired	
EUR million	
Tangible assets	0.1
Right-of-use assets	1.0
Customer base	0.8
Intangible assets	1.6
Trade and other receivables	1.0
Cash and cash equivalents	11.7
Deferred tax liabilities	-0.3
Interest-bearing liabilities	-0.3
Lease liabilities, interest-bearing	-1.0
Trade payables and other liabilities	-3.2
Tax liabilities	-0.1
	11.3
Effects of acquisition on cash flow	
EUR million	
Purchase price paid in cash	-15.1
Cash and cash equivalents of the acquired entity	11.7
	-3.4
Goodwill arising from business combination	
EUR million	
Consideration transferred	15.1
Identifiable net assets of the acquired entity	11.3
Non-controlling interest's proportionate share of identifiable net assets acquired	-5.1
Goodwill	8.9

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

Acquisition of Process Data Control Corp

In November 2021, TenForce NV's subsidiary TenForce USA LLC acquired Process Data Control Corp. The acquisition price was EUR 1.5 million. The acquisition resulted in EUR 1.5 million of goodwill. The calculation of the allocation of the acquisition price is preliminary, as the valuation of the acquired net assets has not been fully completed. The acquisition does not have a material impact on the Group.

Disposals of businesses

There were no significant disposals during the reporting period.

3. Property, plant and equipment and intangible assets

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

31.12.2020 EUR million	Property plant and equipment	Goodwill	Other intangible assets
Acquisition cost at 1 January 2020	4,216.7	1,101.2	890.1
Business acquisitions	5.1	49.0	11.0
Additions	189.3		55.5 ⁽¹⁾
Additions, right-of-use assets	21.5		
Business disposals	0.0		
Disposals	-13.1		-0.9
Reclassifications	-3.5		-17.0
Translation differences	-0.1	2.3	0.3
Acquisition cost at 31 December 2020	4,415.8	1,152.5	938.9
Accumulated depreciation, amortisation and impairment at 1 January 2020	3,390.0	15.0	687.6
Depreciation, amortisation and impairment	213.2	6.1	56.9
Accumulated depreciation and amortisation on business acquisitions	0.0		1.1
Accumulated depreciation and amortisation on disposals and reclassifications	-17.0		-16.9
Translation differences	-0.1		0.2
Accumulated depreciation, amortisation and impairment at 31 December 2020	3,586.1	21.1	728.8
Book value at 1 January 2020	826.8	1,086.1	202.5
Book value at 31 December 2020	829.7	1,131.4	210.1

¹⁾ Includes Finnish 26 GHz spectrum licence in a carrying amount of EUR 7.0 million.

Commitments to purchase property, plant and equipment and intangible assets amounted to EUR 55.7 (46.9) million on 31 December 2021.

The lease commitments for rental agreements commencing in the future, in accordance with IFRS 16, were EUR 4.8 (1.0) million on 31 December 2021.

4. Carrying amounts of financial assets and liabilities by category

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
31.12.2020 EUR million	Financial 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⁾			15.6	15.6	15.6
Trade and other receivables		0.4	94.5	94.9	94.9
Current financial assets					
Trade and other receivables			457.8	457.8	457.8
		0.4	567.9	568.3	568.3
Non-current financial liabilities					
Financial liabilities			1,215.7	1,215.7	1,258.7
Trade and other payables ⁽²⁾	4.4		22.9	27.3	27.3
Current financial liabilities					
Financial liabilities			211.2	211.2	211.5
Trade and other payables ⁽²⁾			348.1	348.1	348.1
	4.4		1,797.9	1,802.3	1,845.6

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	31.12.2021	Level 1	Level 2	Level 3
Financial assets/liabilities measured 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

EUR million	31.12.2020	Level 1	Level 2	Level 3
Financial assets/liabilities recognised at fair value through other comprehensive income				
Electricity derivatives	0.4		0.4	
Currency derivatives	0.1		0.1	
Financial assets/liabilities measured at fair value through profit or loss				
Contingent considerations relating to business combinations	-4.4			-4.4
	-3.9		0.4	-4.4

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 2020	167,335,073	7,252,165	4.33 %
Disposal of treasury shares		-104,393	
Shares at 31 December 2021	167,335,073	7,147,772	4.27 %

Dividend

On 8 April 2021, Elisa's Annual General Meeting decided on a dividend of EUR 1.95 per share. The total dividend amounts to EUR 312.3 million and payment started on 20 April 2021.

7. Issuance and repayment of debt securities

On 30 March 2021, Elisa issued a EUR 100 million Schuldschein loan for short-term financing. The loan matures on 4 May 2022. The loan was arranged by Landesbank Baden-Württemberg.

On 22 September 2021, Elisa signed EUR 130 million syndicated sustainability-linked revolving credit facility, which matures on 22 September 2026. The facility replaces the previous facility of the same size. The facility has an option to extend it by two years.

Current financial liabilities include a EUR 100 million Schuldschein loan, which matures on 4 May 2022 and outstanding commercial papers of EUR 0.0 million.

The unused amount of the EUR 1,500 million EMTN programme is EUR 600 million as of 31 December 2021.

EUR million	31.12. 2021	31.12. 2020
Issued bonds, nominal value	900.0	1,074.0
Issued commercial papers	0.0	19.5
Withdrawn committed credit lines	0.0	0.0

8. Provisions

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

EUR million	Termination benefits	Other	Total
1 January 2020	3.3	1.7	5.0
Increase in provisions	0.7		0.7
Reversals of unused provisions	-0.2		-0.2
Utilised provisions	-2.1		-2.1
31 December 2020	1.7	1.7	3.4

9. Off-balance sheet lease commitments

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

EUR million	31.12. 2021	31.12. 2020
Within one year	12.5	11.7
Later than one year, not later than five years	4.7	5.1
Later than five years	1.2	1.1
	18.4	17.9

Lease commitments are exclusive of value added tax.

10. Contingent liabilities

EUR million	31.12. 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

11. Derivative instruments

EUR million	31.12. 2021	31.12. 2020
Nominal values of derivatives		
Electricity derivatives	1.9	1.1
Currency derivatives	3.5	3.2
	5.5	4.2
Fair values of derivatives		
Electricity derivatives	1.6	0.4
Currency derivatives	0.0	0.1
	1.6	0.4

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 2021	1-12 2020
Revenue	0.5	0.7
Purchases	0.8	0.9
Receivables	0.1	0.1
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 2021	1-12 2020
Shareholders' equity per share, EUR	7.48	7.39
Interest-bearing net debt	1,219.1	1,206.8
Gearing, %	101.2 %	101.9 %
Equity ratio, %	39.9 %	39.1 %
Return on investment (ROI), % *)	16.9 %	16.7 %
Gross investments in fixed assets, of which right-of-use assets	265.1 18.0	266.2 21.5
Gross investments as % of revenue	13.3 %	14.1 %
Investments in shares and business combinations	28.1	69.5
Average number of employees	5,391	5,097

*) Rolling 12 months' profit preceding the reporting date

Financial calendar

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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