



CARUNA

Investor Report

H1/2022

Positive energy.

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Investor Report

H1/2022

KEY FINANCIAL (IFRS) AND OPERATIONAL INDICATORS FOR THE CARUNA NETWORKS BV GROUP

EUR million or as indicated	H1/2022	H1/2021	2021
Net sales	253.6	258.9	499.8
Profit for the period	34.0	24.8	47.8
Corporate tax	6.1	6.3	11.1
Investments	58.5	60.9	140.1
Cash flow after investments	55.4	47.5	48.5
Customers	720,000	708,000	714,000
Network cabling rate (%)	65	61	62
Small-scale producers of solar power in the network area	14,500	10,800	12,000
System Average Interruption Duration Index per customer (SAIDI), minutes	53	46	74
Reliability of supply rate (%)	99.98	99.98	99.99

Key events during the reporting period

At the end of June 2022, Caruna had 720,000 (708,000) customers. A total of 1,200 (1,370) new connection agreements were signed in the period from January to June, six of which were for medium-voltage connections. Customer satisfaction improved substantially during the first half of the year, as the cumulative NPS, which is a measure of customer satisfaction, stood at 29.0 (20.9) at the end of June.

The total volume of electricity supplied by the distribution network between January and June remained almost the same as the corresponding period in the previous year: 5.2 (5.3) TWh.

The average interruption time in Caruna's electricity distribution (SAIDI) was 53 (46) minutes per customer between January and June, and the reliability of supply rate was 99.98 (99.98) per cent. The System Average Interruption Frequency Index (SAIFI) per customer was 1.01 (0.69) events. Four major storms hit Finland in the first half of the year, the most destructive of which was storm Armi. In February, storm Armi caused a maximum of 9,700 customers to suffer electricity outages simultaneously in Espoo, West Uusimaa and Southwest Finland.

The company aims to modernise its electricity network continuously to meet the needs of the energy transition,

which will require investments in the coming years to develop the electricity network. Caruna's investments from January to June amounted to EUR 58.5 million. New construction sites for electricity network installation were set up in several areas, including Ostrobothnia and Koillismaa.

Caruna's operating environment deteriorated significantly in the first half of 2022 due to the exceptional tightening measures taken by the regulator in the middle of the regulatory period, as well as the general increase in costs. The alterations to the regulation model will cause the company's permitted returns to decrease by approximately 40 per cent in comparison with 2021. This will reduce Caruna's net sales during the coming years.

The war in Ukraine has not had any direct financial impacts on Caruna's business. During the review period, the indirect impacts were minor, and they were mainly reflected in higher raw material, electricity and construction costs, as well as a shortage of components.

In January, international credit rating agency Standard & Poor's (S&P) lowered Caruna's credit rating from "BBB+ and a significantly weakened outlook" to "BBB and a stable outlook". The drop is due to the exceptional changes made to the regulation model for electricity distribution companies during the regulatory period.

In May, Caruna concluded its negotiations on changes affecting all of its personnel. As a result of the negotiations, the employment contracts of 25 people ended. In addition, 13 people will stop working for Caruna when their fixed-term contracts end. By the end of 2024, the company aims to achieve a cost level of around EUR 10 million lower than in 2021.

Caruna's CFO, Jyrki Tammivuori, was appointed CEO of Caruna as of 13 May 2022. Caruna's SVP People, Public Affairs & Regulation, Noora Neilimo-Kontio was appointed as Caruna's CFO and Deputy CEO as of 13 June 2022.

FINANCIAL DEVELOPMENT

Caruna's net sales in the first half of 2022 amounted to EUR 253.6 (258.9) million, which is 2.1 per cent less than the same period last year. The decrease in net sales is mainly attributable to Caruna Espoo Oy's price reduction, which was implemented at the end of 2021, and the fact that 2022 has been warmer than 2021. The winter months of 2021 were much colder than in previous years.

Variable costs, consisting of transmission costs and grid loss electricity purchases, were EUR 48.2 (47.0) million. The price of electricity losses has been higher in 2022 than in 2021. Fluctuations in the electricity price have also become larger.

Other operating expenses, including personnel expenses, were EUR 42.2 (46.3) million, which is EUR 4.1 million less than in the comparison period. The main reason for the increase in costs was storm Paula, which led to increased fault rectification expenses and standard compensation for the customers who suffered power cuts in June last year.

The costs of fault rectification and standard compensation from January to June were lower than in the same period last year.

Depreciation, amortisations and impairment charges amounted to EUR 65.8 (67.0) million. Depreciation, amortisations and impairment charges include EUR 4.0 (6.1) million from the scrapping of overhead lines.

Operating profit amounted to EUR 99.4 (101.8) million. Net financing costs were EUR 59.4 (72.0) million. The net financing costs recognised in the comparison period include a non-recurring charge of EUR 10.8 million for the repayment of a bond. Profit for the reporting period was EUR 34.0 (24.8) million.

FINANCIAL KEY FIGURES (IFRS)

EUR million or as indicated	H1/2022	H1/2021	2021
Net sales	253.6	258.9	499.8
Operating profit	99.4	101.8	192.4
Operating profit (% of net sales)	39.2	39.3	38.5
Profit for the reporting period	34.0	24.8	47.8
Investments	58.5	60.9	140.1
Cash flow after investments	55.4	47.5	48.5
Interest-bearing net debt (at the end of the period)	3,267.2	3,225.7	3,316.1

Business activities

Caruna takes care of reliable electricity distribution and continuously invests in the development of a smart electricity network so that the company's customers get electricity in a sustainable way, reliably and efficiently, also in the future. The Group includes two network companies: Caruna Oy, which operates mainly in rural areas, and Caruna Espoo Oy, which operates in urban areas. The total length of Caruna's electricity network was 87,800 kilometres at the end of the reporting period.

Electricity consumption is expected to increase by 50 per cent by 2040 as the energy revolution plays out in Finland. The volume of wind and solar energy output will increase substantially in the future, but the poor adjustability and lower predictability of these forms of power will create new requirements for keeping the electricity system in balance. Furthermore, as electricity production grows, electricity networks must be dimensioned to meet the maximum instantaneous demand.

The company aims to modernise its electricity network continuously to meet the needs of the energy transition, which will require investments in the coming years to develop the electricity network.

Caruna's operating environment deteriorated significantly in the first half of 2022 due to the exceptional

tightening measures taken by the regulator in the middle of the regulatory period, as well as the general increase in costs.

In January 2022, the industry submitted a complaint to the Market Court concerning the supervising authority's changes to its regulatory methods midway through the regulatory period. The common view in the industry is that the authority did not have sufficient legal grounds to make the changes and that the authority did not have the independence required by EU directives when the changes were prepared and implemented. The legal process is underway, and the Market Court is considering applying to the Court of Justice of the European Union for a preliminary ruling on the authority's independence. The Court is expected to issue its ruling in early 2023 unless it applies for a preliminary ruling. The preliminary ruling process would prolong the action by about a year.

A total of 1,200 (1,370) new connection agreements were signed in the period from January to June, six of which were for medium-voltage connections.

In the period from January to June, approximately 2,500 (1,400) new solar power systems (<2 MVA) were connected to Caruna's electricity network. Private customers accounted for approximately 2,250 of these systems, and corporate customers accounted for approximately 250. At the end of the review period, the number of small-scale producers of solar power was approximately 14,500 (10,800).

Customer volumes at the end of the period (thousand customers):

Company	6/2022	2021	6/2021	2020
Caruna Oy	486	484	482	479
Caruna Espoo Oy	234	230	226	224
Total	720	714	708	703

In June, Fortum announced its intention to work with Caruna on the implementation of an entirely new electric boiler concept for domestic district heating production at the Suomenoja plant site in Espoo. Caruna will supply the project with a dynamic electricity connection – the first of its kind in Finland. The project will also use a new way of ensuring adequate capacity in the electricity network, as the electricity required by the electric boiler can be regulated flexibly. The need for flexibility is constantly increasing as the production volumes of wind and solar energy will increase in the future.

The construction work on an internal network and the customer's own transmission line to the Rustari wind farm in Kurikka was completed in the spring. Rustari includes eight separate power plants with a total output of 45 MVA. The power plant is expected to be connected to Caruna's network in September 2022.

The construction work on an internal network and the customer's own transmission line to the Murtotuuli wind

farm was completed in spring 2022. Murtotuuli includes 21 separate power plants with a total output of 133 MVA. The wind farm is in Posio. The customer connection was commissioned in the summer.

A connection agreement was signed in June for the Palmanharju wind park in Somero. Palmanharju wind park is owned by Ilmatar Somero, and it has four separate power plants with a total output of 15 MVA. Construction of the wind park's internal network began in the summer. The wind park is due to enter commercial operation by the end of 2023.

The drafts of Caruna's development plan for the electricity distribution network were on display for customers in April and May. Every distribution system operator must submit a development plan for the electricity network to the Energy Authority by the end of June. Customers gave feedback on plans for the adoption of electric cars and solar panels, the opportunity for flexible electricity consumption, and customers' views on the reliability of the existing network and the necessary development. More than 4,000 customers responded to customer consultations. Most of the respondents were consumers.

Caruna's customer satisfaction has improved substantially. Customer satisfaction is measured among private customers, companies, landowners, municipal customers and contractors. Customer satisfaction among Caruna's key customers (municipal and corporate customers) has remained excellent, and the Net Promoter Score (NPS) stood at 67.6 (64.4) at the end of the review period. The cumulative NPS for all customer groups from January to June rose significantly to 29.0 (20.9).

NEW ELECTRICITY NETWORK CONSTRUCTION SITES WERE SET UP IN SEVERAL LOCALITIES – THE ENERGY TRANSITION DEMANDS INVESTMENT

The electrification of industry and heating and the increase in Finnish and renewable energy production require intelligence, flexibility and growing capacity from the Finnish electricity network. The company aims to modernise its electricity network continuously to meet the needs of the energy transition, which will require investments in the coming years to develop the electricity network.

The planning and permit procedures for a new underground cable connection between Hepokorpi and Finnoo in Espoo proceeded as planned. The project is due to be completed in 2025 or 2026 at a total cost of approximately EUR 23 million. The new connection will increase the electricity transmission capacity in south Espoo and enable the electrification of transport and heating, among other things.

Construction work on the new substation in Sinimäki, Espoo, proceeded as planned. The new Sinimäki substation will directly serve about 15,000 customers, and it will indirectly distribute electricity to approximately 140,000 customers. An underground cable will be built between the Leppävaara and Sinimäki substations during the project to

cater for the growing consumption of electricity. The new substation will be commissioned at the end of 2022.

During the first half of the year, construction began on several local cable projects in Central Uusimaa, Häme, Ostrobothnia and Koillismaa. The old low-voltage overhead lines in built-up areas will be replaced by a new underground cable network. Approximately 900 kilometres of new electricity network lines will be constructed between 2022 and 2025.

Planning and construction work began on some projects to renovate the distribution networks in the Southwest Finland and Ostrobothnia regions. The aim is to modernise overhead lines that have reached the end of their life cycles. Approximately 2,600 kilometres of new electricity network lines will be built between 2022 and 2024.

Between January and June, Caruna Group's investments amounted to EUR 58.5 (60.9) million.

CONSTRUCTION SITE SAFETY IMPROVED

During the first half of the year, there were four occupational accidents leading to lost working time on Caruna's construction sites. The comparable 12-month cumulative injury frequency (LWIF) in the company's supply chain stood at 5.7 (7.0) at the end of June.

In January, Caruna awarded safety prizes to its contractors and subcontractors for outstanding contributions to occupational safety. The prizes went to TLT Connection Oy, N3M Power Oy and the Kuusamo working group of Eltel Networks Pohjoinen Oy.

RELIABILITY OF SUPPLY REMAINED EXCELLENT DESPITE SEVERAL STORMS EARLY IN THE YEAR

The total volume of electricity supplied by the distribution network between January and June remained almost the same as the corresponding period in the previous year: 5.2 (5.3) TWh. The electricity supply volume on the high-voltage distribution network was 1.4 (1.4) TWh – the same as in the previous year.

The reliability of electricity supply is measured by the System Average Interruption Duration Index (SAIDI). The average interruption time in Caruna's electricity distribution (SAIDI) was 53 (46) minutes per customer between January and June due to storms in the first half of the year. The reliability of supply rate was 99.98 (99.98) per cent. The System Average Interruption Frequency Index (SAIFI) per customer was 1.01 (0.69) events.

The highest numbers of supply interruptions were caused by storms Armi and Manu in the first half of the year. Storm Manu caused a maximum of 7,000 customers to suffer electricity out-ages simultaneously in West and Southwest Finland and in West Uusimaa. In February, storm Armi caused a maximum of 9,700 customers to suffer electricity outages simultaneously in Espoo, West Uusimaa and Southwest Finland.

Financing

Electricity distribution is a capital-intensive sector. The purpose of Caruna's financing operations is to guarantee the Group's operations over the long term and ensure that the network improvement programme can be carried out as planned. Caruna has EUR 3,298 million in interest-bearing debt, of which EUR 2,524 million is external to the Group and EUR 774 million is a shareholder loan.

In the first half of the year, Caruna also repaid a total of EUR 95 million in investment and working capital loans. The aim of liquidity risk management is to safeguard the Group's finances under all circumstances. At the end of June, the Group has EUR 373 million in liquid assets, undrawn committed credit facilities and financial investments.

The period's net finance costs stated on the income statement were EUR 59.4 (72.0) million, and accrued interest expenses on the balance sheet were EUR 33.1 (33.1) million. Of Caruna's loans, 98.6 per cent have a fixed rate of interest. The average interest rate on external loans at the end of the reporting period was 2.1 per cent (2.1 per cent). Caruna complied with the covenant terms of all loan agreements.

In January, international credit rating agency Standard & Poor's (S&P) lowered Caruna's credit rating from "BBB+ and a significantly weakened outlook" to "BBB and a stable outlook". The drop is due to the exceptional changes made to the regulation model for electricity distribution companies during the regulatory period.

Human Resources

Caruna was ranked 10th for the first time in the Large Companies category in the Great Place to Work competition.

In April, Caruna initiated negotiations on changes concerning its entire personnel. As a result of the negotiations, the employment contracts of 25 people ended. In addition, 13 people will stop working for Caruna when their fixed-term contracts end this year.

Personnel wellbeing was surveyed using Pulse measurements taken in June, where Caruna's employees assessed their capacity to cope at 68, which was two units higher than in March.

The number of employees at the end of June, summer interns included, was 280.

Risks

Risk management is a part of Caruna's internal control system, and Caruna regularly assesses the strategic, operational and financing risks facing the Group. Risk management strives to ensure that any risks affecting the Group's business operations are identified, managed and monitored. The Group has taken out appropriate insurance policies that provide comprehensive cover for its operations.

Strategic risks include, among others, regulatory risk, that is, harmful and negative impacts on the regulatory environment, challenges in the operating environment, and the availability of financing and competent resources.

The most significant operating risks are related to information security, abnormal weather conditions, changes in network capacity caused by the energy transition, supplier risk and safety.

FINANCIAL RISKS

The financial risks are presented in note 18 (management of financial risks) to the consolidated financial statements for 2021.

Governance

The Annual General Meeting appoints the members of the Board of Directors for a term of office commencing at the Annual General Meeting and ending at the next Annual General Meeting. Planning the composition of the Board of Directors involves taking into account Caruna's current and future business needs and seeking to ensure the diversity of the Board in several aspects. Caruna's Board members must have adequate experience and expertise that complement those of the other members. The members' individual qualities are also emphasised.

Annual general meeting

Caruna Networks Oy's Annual General Meeting was held on 24 March 2022. The annual general meeting adopted the financial statements and consolidated financial statements for the financial period from 1 January to 31 December 2021 and decided to discharge the members of the Board of Directors and the CEO from liability for 2021. A decision was made not to pay dividends.

Board of Directors

Caruna Networks Oy's Board of Directors consisted of Matti Ruotsala (Chair), James Adam, Andrew Furze, Jouni Grönroos, Shankar Krishnamoorthy, Kerron Lezama, Fredrik Lundeborg and Laura Tarkka. The deputy members were Tara Davies, Katarina Romberg (until 24 March), Filip Szopa (as of 24 March) and Charles Thomazi.

Management Team

The company's Management Team consisted of CEO Jyrki Tammivuori, CFO and Deputy CEO Noora Neilimo-Kontio, Head of Electrical Network Elina Lehtomäki and Head of Customer Relations Kosti Rautiainen.

Jyrki Tammivuori was appointed the company's CEO on 13 May 2022, having served as the company's acting CEO since 23 March 2022. Tomi Yli-Kyyry was the CEO and a member of the Management Team until 23 March 2022. In May, Caruna's SVP People, Public Affairs & Regulation, Noora Neilimo-Kontio was appointed as Caruna's CFO and Deputy CEO as of 13 June 2022.

Auditing

This half-yearly report is not audited.

Shares and ownership

Caruna Networks Oy has 2,500 shares, each carrying an equal right to a dividend and to the company's assets. Each share entitles its holder to one vote at a General Meeting.

Key events after the reporting period

As a consequence of the war in Ukraine, the electricity price is expected to rise significantly in the latter half of the year. Caruna hedges against the price of electricity losses with physical purchase contracts, but despite this hedging, higher electricity prices will reduce Caruna's operating margin somewhat.

Regulatory and Business Update

Amendments to regulatory framework, deriving from Energy Market Act changes in 2021, took place from the beginning of 2022. Amendments included update to regulatory unit prices and thus regulatory asset value based on 2020 cost data, changes in risk free rate definition methodology (from 10-year market rate averages to 1-year market rate averages) and removal of security of supply incentive. Updates will be valid only the last 2 years (2022 and 2023) of the on-going regulatory period. For Caruna Group amendments resulted as ca. 40 MEUR decrease in reasonable return, 670 MEUR decrease in regulatory asset value and approximately 70 MEUR decrease in allowed income when compared to previous methodology. Due to large cumulative regulatory deficit at the end of 2021, these changes will not have immediate impact on Group EBITDA and cash flows.

Amending regulatory methods within on-going regulatory period is exceptional and requires strong legal groundings due to primary nature of ex ante regulatory supervision. In this case industry considered that no adequate legal groundings existed and decided to appeal of made amendments to Market Court. 72 of 77 DSOs participated to appeal, Caruna among these. Market Court process is currently on-going and Court decision is earliest awaited in the beginning of 2024. Currently Finnish Market Court considers a need to apply a preliminary ruling from EU Court regarding the independence of Regulator from political guidance and decision making in relation to setting methods for defining distribution tariffs.

Energy Market Act update, which took place in 2021 also required that DSOs organize a hearing process for their customers regarding bi-annually reported network development plans. The hearing took first time place in May 2022 and Caruna obtained over 4000 responses from its customers. Hearing results confirm company's view on developing the network not only to further weatherproofing but also to enable growing capacity needs via increasing renewable energy production as well as electrification of heating, transportation and industrial processes.

In addition to previous regulatory method development towards the 6th regulatory period starting in 2024 was kicked-off by Energy Authority. Initial plan targets at working for different framework elements during 2022,

drafting initial framework for commentary during Q1 2023 and finalizing the methods in September & October 2023. Energy Authority has established a Stakeholder Steering Group consisting of various stakeholder groups (DSOs, TSO, industry and customer interest promotion organizations, Consumer and Competition Authority, energy producers etc.) to guide the work and discuss the needed development. Caruna is one of the DSOs having representation in the Group.

As a result of three dictums proposed by Commercial Committee and approved by the Parliament during EMA update process last year a specific subject matter expert group ("Academic Working Group) consisting of Academic researchers was established. The main objective for the group was to analyze and identify different alternative development needs for regulatory framework. Academic Working Group published its final report in May 2022 and in it suggested a few different ways to define cost of capital and regulatory capital. Report didn't get much public attention and options proposed are in general considered challenging to implement. Report findings will be taken into account in regulatory framework development work via the Stakeholder Steering Group.

The public discussion around distribution tariffs and regulatory model logics has decreased and been replaced by concerns related to increasing energy prices. Public and political eye is growingly on possible actions through the coming winter and possible security of supply challenges. Ways to support consumer customers in the times of inflation and increasing prices are actively investigated. This has taken some scrutiny away from electricity distribution.

Caruna has solid interest promotion plan in place to drive long-term development which allows further value creation. This is done by actively participating in regulatory model development both as an individual company as well as via Energy Industry Associations' Committees as well as via improving the public image and reputation of the company. Caruna has also created proactive stakeholder management program towards politicians, Energy Authority, Energy Industry Association and other DSOs to impact favorably on decision making. Caruna also carries out internal development initiatives to be able to mitigate and amend our operations to any negative changes in the regulatory model. As the largest DSO with proven efficiency and competitive advantage we believe to be in good position to secure successful operations also in future.

Summary of financial result of Caruna Networks BV Group January-June 2022 (H1/2022)

KEY NOTES TO THE INCOME STATEMENT:

Net sales EUR 253.6 million (budget EUR 249.1 million): The difference to budget was EUR 4.5 million (1.8 %). The distribution sales were EUR 1.9 million were almost at the budgeted level. Connection fees in other sales were EUR 2.6 million higher than plan due to higher number of new connections.

Direct costs EUR 48.2 million (budget EUR 51.5 million): Direct costs were EUR 3.3 million lower than budgeted. Main drivers to the positive impact were the lower costs of network losses of EUR 1.9 million and of balance error corrections of EUR 1.3 million.

Fixed costs EUR 42.2 million (budget EUR 41.2 million): Fixed costs were at the budgeted level.

Depreciation & amortisation EUR 65.8 million (budget EUR 68.3 million): The depreciation and amortisation were EUR 2.5 million lower than budgeted. The difference comes from different timing of network scrapping. Depreciation includes EUR 15.1 million depreciation of fair value adjustments.

Net financing expenses EUR 59.4 million (budget EUR 57.8 million): Net interest costs were EUR 1.6 million higher than in the budget. The difference comes from higher other financing and loan arrangement costs than budgeted.

KEY NOTES TO THE BALANCE SHEET:

Intangible assets EUR 1,645.9 million (budget EUR 1,591.7 million). Intangible assets consist mainly of non-depreciable fair value of operating licenses and goodwill raising from purchase price allocation EUR 1,591.7 million. Capitalised way leaves and IT-costs contribute for EUR 43.6 million and EUR 10.6 million respectively.

Property, plant and equipment EUR 2,406.2 million (budget EUR 2,463.9) was lower than planned due to lower capital expenditure and thus lower work in progress. The balance includes fair value adjustment of network assets from purchase price allocation EUR 497.0 million.

Other non-current assets EUR 30.2 million (budget EUR 6.7 million). This item consists of the financial assets at fair value through OCI, deferred tax assets related to financial liabilities at fair value through OCI and capitalised loan arrangement fees related to Re-volving Credit Facility.

Total equity EUR -39.1 million (budget EUR -101.0 million) remained negative. The equities of the standalone Finnish companies are positive and comply with Finnish Companies Act. No dividend income was paid according to the AGM decision.

Interest-bearing debt EUR 3,291.0 million (budget EUR 3,293.0 million). EUR 95 million of RCF-facility was paid back during the H1.

Derivative financial instruments EUR 1.1 million (budget EUR 31.2 million). The item relates to mark-to-market-values of the interest and currency swaps.

KEY NOTES TO THE CASH FLOW:

Net cash from operating activities was EUR 115.9 million (budget EUR 116.1 million) were at the budgeted level.

Net cash used in investing activities was EUR -60.5 million (budget EUR -71.2 million) which is EUR 10.7 million less than planned due to lower than anticipated capital expenditure spend for network improvements.

Net cash used in financing activities was EUR -95.0 million (budget EUR -80.0 million). A EUR 10 million higher repayment of RCF-loans contributed to the difference.

1. We confirm that in respect of this Investor Report dated 8 September 2022, by reference to the most recent Financial Statements that we are obligated to deliver to you in accordance with paragraph 1 (Financial Statements) of part 2 (Information Covenants) of Schedule 2 (Borrower Security Group Covenants) of the Common Terms Agreement:
 - (a) the Senior Interest Cover Ratio in respect of the Relevant Period is estimated to be greater than or equal to 1.7x; and
 - (b) the Senior Leverage Ratio in respect of the Relevant Period is or is estimated to be greater than or equal to 5.0 per cent, (together the "Ratios").
2. We confirm that each of the above Ratios has been calculated in respect of the Relevant Period(s) or as at the Calculation Dates for which it is required to be calculated under the Common Terms Agreement.
3. We confirm that:
 - (a) no Default or Trigger Event has occurred and is continuing;
 - (b) the Borrower Security Group is in compliance with the Hedging Policy; and
 - (c) the statements set out in this Investor Report are accurate in all material respects.

Yours faithfully

Officer
Signing without personal liability, for and on behalf of
Caruna Networks Oy as Borrower Security Group Agent

INCOME STATEMENT 1 JAN 2022–30 JUN 2022

EUR million, cumulative	ACT Jan-Jun 2022	BUD Jan-Jun 2022	Diff	ACT Jan-Jun 2021	FCT Jan-Dec 2022	BUD Jan-Dec 2022	Diff	ACT Jan-Dec 2021	PLAN Jan-Jun 2023	FCT Jul-Dec 2022	ACT Jul-Dec 2021
Distribution sales	245.7	243.8	1.9	250.9	466.9	465.0	1.9	483.0	235.3	221.2	232.1
Other sales	7.9	5.3	2.6	8.0	22.5	16.5	6.0	16.8	8.4	14.6	8.8
NET SALES	253.6	249.1	4.5	258.9	489.4	481.5	7.9	499.8	243.7	235.8	240.9
Direct costs	-48.2	-51.5	3.3	-47.0	-87.8	-91.1	3.3	-93.8	-44.0	-39.6	-46.8
SALES MARGIN	205.4	197.6	7.8	211.9	401.6	390.4	11.2	406.0	199.7	196.2	194.1
Other Income	2.0	1.9	0.1	3.2	3.9	5.0	-1.1	6.8	2.6	1.9	3.6
Personnel costs	-14.4	-14.2	-0.2	-14.4	-26.3	-23.1	-3.2	-27.1	-8.9	-11.9	-12.7
Repairs & Maintenance	-10.3	-9.3	-1.0	-14.2	-22.4	-21.0	-1.4	-25.1	-10.3	-12.1	-10.9
External Services	-11.2	-11.9	0.7	-10.9	-23.5	-20.3	-3.2	-22.2	-6.9	-12.3	-11.3
Other expenses	-6.3	-5.8	-0.5	-6.8	-12.0	-16.7	4.7	-13.8	-13.5	-5.7	-7.0
Total fixed costs	-42.2	-41.2	-1.0	-46.3	-84.2	-81.1	-3.1	-88.2	-39.6	-42.0	-41.9
EBITDA	165.2	158.3	6.9	168.8	321.3	314.3	7.0	324.6	162.7	156.1	155.8
Depreciation and amortisation	-65.8	-68.3	2.5	-67.0	-131.6	-129.3	-2.3	-132.2	-64.3	-65.8	-65.2
OPERATING PROFIT	99.4	90.0	9.4	101.8	189.7	185.0	4.7	192.4	98.3	90.3	90.6
Financial Income	1.2	-	1.2	1.1	2.5	-	2.5	2.2	-	1.3	-
Interest expenses on Senior loan	-26.6	-24.6	-2.0	-28.0	-53.2	-49.2	-4.0	-54.4	-23.9	-26.6	-26.4
Interest expenses on SHL loan	-32.2	-32.9	0.7	-32.2	-64.4	-65.8	1.4	-64.9	-32.9	-32.2	-32.7
Ongoing fees	-0.5	-0.2	-0.3	-0.5	-0.7	-0.6	-0.1	-0.8	-0.3	-0.2	-0.3
Loan arrangement fee amortisation	-0.6	-0.1	-0.5	-0.9	-1.2	-0.2	-1.0	-1.6	-0.5	-0.6	-0.7
Other Financial Items	-0.7	-	-0.7	-11.5	-0.9	-	-	-12.3	-	-0.2	-0.8
Total financial income / expense	-59.4	-57.8	-1.6	-72.0	-117.9	-115.8	-2.1	-131.8	-57.6	-58.5	-60.9
RESULT BEFORE TAX	40.0	32.2	7.8	29.8	71.8	69.2	2.6	60.6	40.7	31.8	29.7
Income taxes	-6.1	-6.0	-0.1	-6.3	-12.5	-12.0	-0.5	-11.1	-6.0	-6.4	-4.8
Deferred taxes	0.1	1.4	-1.3	1.3	-2.1	-2.5	0.4	-1.7	-2.1	-2.2	-3.0
RESULT FOR THE PERIOD	34.0	27.6	6.4	24.8	57.2	54.7	2.5	47.8	32.6	23.2	21.9

BALANCE SHEET

EUR million	ACT 30 Jun 2022	BUD 30 Jun 2022	ACT 30 Jun 2021	FCF 31 Dec 2022	BUD 31 Dec 2022	ACT 31 Dec 2021	PLAN 30 Jun 2023
ASSETS							
Non-current assets							
Intangible assets	1,645.9	1,591.7	1,646.9	1,605.9	1,591.7	1,644.7	1,617.2
Property, plant and equipment	2,406.2	2,463.9	2,398.8	2,468.6	2,494.0	2,414.8	2,478.2
Other non-current assets	30.2	6.7	7.6	30.0	6.7	4.6	6.0
Total non-current assets	4,082.3	4,062.3	4,053.3	4,104.5	4,092.4	4,064.1	4,101.4
Current assets							
Trade receivables	80.5	76.2	80.0	113.6	117.2	127.7	80.0
Other current receivables	23.7	3	4.1	2.5	6	4.3	4.0
Cash and cash equivalents	23.8	10.6	20.1	64.1	62.7	63.4	19.1
Total current assets	128.0	89.7	104.2	180.2	185.5	195.4	103.1
TOTAL ASSETS	4,210.3	4,152.0	4,157.5	4,284.7	4,277.9	4,259.5	4,204.5
EQUITY							
Share capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Invested distributable funds	171.3	171.2	171.3	171.3	171.2	171.3	171.2
Result for the period	34.0	27.6	24.8	57.2	54.7	47.8	32.6
Retained earnings	-262.7	-279.0	-223.0	-297.8	-314.2	-310.5	-259.5
Other equity components	18.3	-20.8	-20.9	18.3	-20.8	-15.6	-20.8
Total equity	-39.1	-101.0	-47.8	-51.0	-109.1	-107.0	-76.6
LIABILITIES							
Non-current liabilities							
Senior loan	2,324.8	2,528.1	2,480.7	2,394.6	2,626.1	2,613.8	2,519.8
Loan arrangement fees	-7.6	-8.7	-8.5	-7.1	-8.4	-8.0	-10.6
Shareholder loan	773.6	773.6	773.6	773.6	773.6	773.6	773.6
Derivative financial instruments	1.1	31.2	31.2	1.1	34.4	19.8	34.4
Deferred tax liabilities	515.6	502.2	508.1	517.8	509.0	511.1	511.1
Provisions	-	-	-	-	-	-	1.4
Other non-current liabilities	303.9	303.8	304.1	303.3	305.7	305.3	304.3
Total non-current liabilities	3,911.4	4,130.2	4,089.2	3,983.3	4,240.4	4,215.6	4,134.0
Current liabilities							
Current portion of I-t senior loans	200.2	-	-	200.2	-	-	-
Trade payables	24.7	30.8	26.3	38.9	53.2	46.0	31.6
Accrued interest expenses	33.1	33.7	33.1	33.8	35.5	34.1	35.5
Other current interest-free payables	80.0	58.3	56.7	79.5	57.9	70.8	80.0
Total current liabilities	338.0	122.8	116.1	352.4	146.6	150.9	147.1
TOTAL LIABILITIES	4,249.4	4,253.0	4,205.3	4,335.7	4,387.0	4,366.5	4,281.1
TOTAL EQUITY AND LIABILITIES	4,210.3	4,152.0	4,157.5	4,284.7	4,277.9	4,259.5	4,204.5

CASH FLOW STATEMENT

EUR million	ACT Jan-Jun 2022	BUD Jan-Jun 2022	ACT Jan-Jun 2021	FCT Jan-Dec 2022	BUD Jan-Dec 2022	ACT Jan-Dec 2021	PLAN Jan-Jun 2023
CASH FLOW FROM OPERATING ACTIVITIES							
Result for the period	34.0	27.6	24.8	57.2	54.7	47.8	32.6
Adjustments:							
Income tax expenses	6.0	4.6	5.0	14.6	14.5	12.8	8.1
Finance costs-net	59.4	57.8	72.0	117.9	115.8	131.8	57.6
Depreciation, amortisation and impairment charges	65.8	68.3	67.0	131.6	129.3	132.2	64.3
Operating profit before depreciations (EBITDA)	165.2	158.3	168.8	321.3	314.3	324.6	162.7
Non-cash flow items and divesting activities	0.0	-	0.0	0.0	-	0.0	-
Interest received	1.2	0.3	1.1	2.5	-	2.1	-
Interest paid, Senior Loan	-26.8	-26.1	-30.0	-52.3	-48.9	-56.6	-23.9
Interest paid, Shareholder Loan	-32.4	-32.9	-32.4	-64.7	-64.9	-64.9	-32.9
Ongoing fees, paid	-0.4	-0.2	-0.4	-3.2	-0.7	-0.8	-3.1
Other financial expenses paid	-1.6	-	-16.1	0.0	-	-16.0	-
Taxes	-5.5	-6.2	-7.1	-11.0	-12.0	-13.0	-6.0
Funds from operations	99.7	93.2	83.9	192.6	187.8	175.4	96.8
Change in working capital	16.2	22.9	24.3	16.2	0.9	11.4	3.7
Total net cash from operating activities	115.9	116.1	108.2	208.8	188.7	186.8	100.5
CASH FLOW FROM INVESTING ACTIVITIES							
Capital expenditures	-60.8	-71.2	-61.2	-148.5	-154.4	-139.1	-69.1
Proceeds from sales of fixed assets	0.3	-	0.5	0.3	-	0.8	-
Total net cash used in investing activities	-60.5	-71.2	-60.7	-148.2	-154.4	-138.3	-69.1
Cash flow before financing activities	55.4	44.9	47.5	60.6	34.3	48.5	31.4
CASH FLOW FROM FINANCING ACTIVITIES							
Proceeds from long-term liabilities	-	-	300.0	80.0	98.0	430.0	-
Payments of long-term liabilities	-95.0	-80.0	-390.0	-105.0	-80.0	-390.0	-75.0
Dividends paid	-	-	-16.0	-35.1	-35.1	-103.5	-
Other financing items	-0.1	-	-	0.2	-0.2	-0.2	-
Total net cash used in financing activities	-95.1	-80.0	-106.0	-59.9	-17.3	-63.7	-75.0
Total net increase(+) / decrease(-) in cash and cash equivalents	-39.7	-35.1	-58.5	0.7	17.0	-15.2	-43.6
Cash and cash equivalents in the beginning of the period	63.4	45.7	78.6	63.4	45.7	78.6	62.7
Cash and cash equivalents at the end of the period	23.8	10.6	20.1	64.1	62.7	63.4	19.1

Ratio ICR	30 Jun 2022, Backwards	30 Jun 2022, Forward	30 Jun 2022, Extended Forward
Senior Interest Cover Ratio	5,9x	6,2x	-
Lock-up	1,7x	1,7x	-
Lock-up breach	-	-	-
Default	1,2x	-	-
Default breach	-	-	-
Senior Leverage Ratio	10,3 %	10,3 %	9,8 %
Lock-up	5,0 %	5,0 %	5,5 %
Lock-up breach	-	-	-
Default	4,0 %	-	-
Default breach	-	-	-

LOAN COVENANT RATIO CALCULATION

EUR million	H2/2021	H1/2022	"Backwards"		"Forward"		"Extended"
			30 Jun 2022	H2/2022	H1/2023	30 Jun 2022	36 months total
Senior Interest Cover Ratio, Denominator:							
EBITDA	155.8	165.2	321.0	156.1	162.7	318.8	
+ Income Taxes	-4.8	-6.1	-10.9	-6.4	-6.0	-12.4	
Consolidated EBITDA - taxes, total	151.0	159.1	310.1	149.7	156.7	306.4	
Senior Interest Cover Ratio, Numerator:							
Interest Costs, Senior	-26.4	-25.4	-51.8	-25.3	-23.9	-49.2	
Ongoing fees, Senior	-0.3	-0.5	-0.8	-0.2	-0.3	-0.5	
Net Finance Charges, Senior total	-26.7	-25.9	-52.6	-25.5	-24.2	-49.7	
Senior Interest Cover Ratio			5.9x			6.2x	
Senior Leverage Ratio, Denominator:							
EBITDA	155.8	165.2	321.0	156.1	162.7	318.8	314.4
Interest Costs, Senior	-26.4	-25.4	-51.8	-25.3	-23.9	-49.2	-49.5
Ongoing fees, Senior	-0.3	-0.5	-0.8	-0.2	-0.3	-0.5	-0.9
+ Income Taxes	-4.8	-6.1	-10.9	-6.4	-6.0	-12.4	-12.2
Funds from Operations, FFO	124.3	133.2	257.5	124.2	132.5	256.7	251.8
Senior Leverage Ratio, Numerator:							
Senior debt		2 525.0	2 525.0		2 519.8	2 519.8	2 635.9
Cash		-23.8	-23.8		-19.1	-19.1	-55.4
Net debt - Senior		2 501.2	2 501.2		2 500.7	2 500.7	2 580.5
Senior Leverage Ratio			10.3 %			10.3 %	9.8 %

EUR million	ACT H1/2022	ACT H1/2021	ACT Jan-Dec 2021
Permitted Acquisition	-	-	-
Permitted Disposal	0.3	0.5	0.8
Permitted Distribution	-32.4	-48.4	-168.4
Additional Financial Indebtedness	-	-	-

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