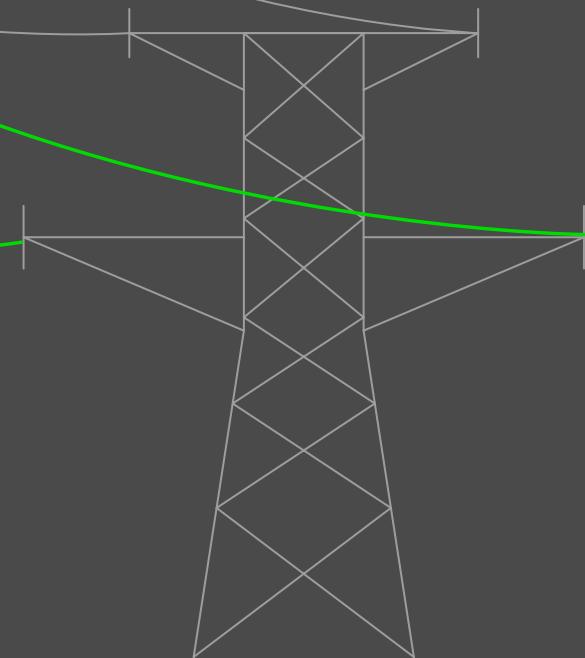


CARUNA GROUP

# Half Yearly Report

1 January–30 June 2024

**caruna** | We bring electricity to you.



# Caruna Group Half Yearly Report 1 January–30 June 2024

## KEY EVENTS DURING THE REPORTING PERIOD

The total volume of electricity supplied by the distribution network between January and June increased from the corresponding period in the previous year: 5.0 (4.6) TWh. The increase in electricity supply was influenced by the cold winter and the progress of the clean transition. The electricity supply volume on the high-voltage distribution network also increased to 1.7 (1.2) TWh.

The average interruption time of Caruna's electricity distribution per customer was 23 (27) minutes during January–June, which was due to the few storms in Caruna's network areas at the beginning of the year and the network improvement measures carried out in recent years. The reliability of supply rate was 99.99 (99.99) per cent.

During the spring, Caruna organised a customer hearing for both of its network companies, Caruna Oy and Caruna Espoo Oy. The opinions and needs of customers and stakeholders regarding the development of the electricity network were heard in the hearings. Nearly 3,000 customers responded to the customer hearing. Caruna submitted the final development plans to the Energy Authority at the end of June.

In January–June, 757 (758) new invoiced connection contracts were signed, of which 17 were medium voltage connections. In addition, Caruna signed one high-voltage connection agreement for a 100 MW solar park in Eurajoki in June. The solar park will be commissioned in early 2026.

As a result of the Energy Authority's new regulation model, Caruna's investments for the whole year will decrease to approximately half of the previous year's level. The goal is to secure the company's financing and loan management ability and cash flow. Caruna announced that it would apply for a change to the new regulation model in the Market Court, and the company filed a complaint with the Market Court in January 2024.

Caruna's revolving credit facility (RCF) was renewed in June. The size of the new facility is EUR 300 million, whereas the previous facility was EUR 350 million. The interest rate of the new facility is tied to Caruna's responsibility goals.

At the end of June, Caruna had 739 thousand (732) customers.

## FINANCIAL DEVELOPMENT

Caruna Group's revenue in the first half of 2024 amounted to EUR 268.6 (246.1) million. Revenue increased by EUR 22.5 million compared to the same period of the previous year, influenced by the growth in electricity consumption due to a colder winter and price increases implemented in 2023. Caruna's revenue consists of distribution sales and connection fee income.

Cost of sales, consisting of grid service fees and grid losses, were EUR 33.5 (43.4) million. The price of electricity purchased to cover grid losses fell clearly during the reporting period, when the energy crisis caused by the challenging geopolitical situation receded. Grid loss purchases were

EUR 11.4 million lower than in the comparison period. Grid service fees increased by EUR 1.5 million due to the increased distribution supply volume compared to the comparison period. Grid service fees were lower than standard years both in the current period and in the comparison period, as the transmission system operator Fingrid Oyj did not charge grid service fees from electricity distribution companies in January, February or June in either year.

Other operating expenses, including external services, employee benefit costs and other operating expenses, were EUR 36.6 (37.7) million. Measures to increase efficiency and productivity reduced expenses. Depreciation, amortisation and impairment amounted to EUR 62.2 (63.1) million.

Operating profit for the reporting period was EUR 138.0 (103.7) million. Net financial expenses were EUR 65.7 (62.0) million and profit for the reporting period was EUR 62.2 (37.7) million.

## BUSINESS ACTIVITIES

Caruna safeguards the reliable distribution of electricity to its customers as electricity consumption increases and transition from fossil energy to renewable energy takes place. Caruna is committed to investing and developing its electricity network so that customers can use domestic, renewable energy and become small-scale producers of electricity.

Caruna brings electricity to 739,000 customers in South, Southwest and West Finland, Joensuu and Koillismaa, and Caruna's market share is approximately 20 per cent of Finland's electricity distribution. 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 approximately 89,000 kilometres at the end of the reporting period.

Caruna's operating environment changed significantly when the Energy Authority's new regulation model came into effect at the begin-

ning of January, which significantly lowered Caruna's expected net sales growth for the coming years.

Caruna has announced that it will apply for a change to the new regulation model in the Market Court, so that the ability to make proactive investments can be secured. Caruna filed a complaint with the Market Court in January 2024. A large number of other Finnish electricity network companies are also applying for changes to the Energy Authority's regulation model in the Market Court, totalling 67 out of 77 electricity distribution companies.

Caruna estimates that the development projects of clean transition, security of supply and an electrifying society will be delayed in Caruna's areas of operation because of this in the coming years.

Other business costs also increased due to inflation and rising interest rates. Cost rises affected Caruna's entire supply chain, such as contractors' costs.

## FINANCIAL KEY FIGURES (IFRS)

EUR million or as indicated	H1 2024	H1 2023	2023
Revenue	268.6	246.1	494.3
Operating profit	138.0	103.7	212.5
Operating profit (% of net sales)	51.4	42.1	43.0
Investments	36.8	63.5	126.6
Return of capital employed (%)	9.0	6.6	6.9

**More capacity is needed from the electricity grid – in the beginning of the year, the pace of investment slowed down**

The energy transition will increase electricity consumption in Finland. Electricity consumption will increase strongly in the next few years, and electricity production capacity must more than double from the current level. The annual use of electricity is estimated to grow in Caruna Oy's network areas from now until 2034 by about 50 per cent and in Caruna Espoo Oy's area by more than 100 per cent. Smart electricity networks and optimising customers' energy consumption will help balance electricity supply and demand, thus contributing to the demand-side response needed as renewable energy production increases.

A total of 757 (758) new connection contracts were signed between January and June. Seventeen medium-voltage connection contracts were signed, and one high-voltage connection contract was signed.

More capacity is needed from the electricity grid. Caruna published a capacity map on its website, which shows in which area of Caruna's distribution network there is still room for a new medium-voltage connection.

The accelerating energy transition requires the modernisation of the electricity network to meet the needs of the transition, but also smarter ways to use the existing network. The decrease in investments was reflected in a slowdown in construction during the first half of 2024.

In January, Caruna made an investment decision to implement a new 110 kV switch plant in Pöytyä to connect a customer's 30 MW solar park. The project will implement a completely new 110 kV switch plant, which, in addition to enabling customer connection, will improve the availability and security of supply of the high-voltage distribution network in the area.

In Kristiinankaupunki, a project was completed in which 13 kilometres of electrical networks were renewed. The electricity network, which was mainly made up of overhead lines, was cabled underground. In the design choices and implementation of the project, the archaeological value of the old city centre area and the nature value of the surrounding areas were taken into account.

In South Ostrobothnia's Jurva municipality, construction of a new substation began in March 2024. At the same time, the old substation was dismantled. The new station was completed in May and put into use in June. The new substation has room for several more 20 kV connections, so it allows for example more wind power, solar power and electricity storage to be connected to the network.

In April, Caruna drew up an electricity grid development plan. Both Caruna Oy's and Caruna Espoo Oy's electricity network development plans include investments and development measures with which Caruna aims to improve the reliability of the electricity network and ensure uninterrupted electricity distribution to all its customers. In May, Caruna organised a customer

consultation for both of its network companies, where the opinions and needs of customers and stakeholders on the development of the electricity network were surveyed.

In April, Caruna made an investment decision to expand the Luvia substation so that a customer's 80 MW solar park can be connected to the network. The connection requires expanding the substation's 110 kV equipment. After the connection of the solar park, the network capacity of the area is in full use and new consumption cannot be connected without significant investments in the network.

In May, a medium voltage connection was put into use for Onninen's logistics center in Hyvinkää. The connection has a size of 4 MVA, and it also includes a 2 MVA back-up connection, so that electricity supply is ensured even in the

event of a fault. In May, an agreement was also signed to connect a 10 MW solar power plant to the medium voltage grid in Oripää.

In June, Caruna concluded a high-voltage connection contract in Eurajoki. Alight's 100 MW solar park is one of the largest solar energy parks under development in Finland. The park is scheduled to be put into use in early 2026.

At the end of June, the total renewable energy production capacity in Caruna's network was 1,863 (1,730). Small-scale production capacity of renewable energy rose to 299 (248) MW at the end of the reporting period. At the end of June, the number of small producers of solar power in solar power systems of less than one megawatt was 30 441 (25 600). No solar or wind power was connected to the medium or high-voltage network in early 2024.

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

Company	6/2024	2023	6/2023	2022	6/2022
Caruna Oy	493	492	491	488	486
Caruna Espoo Oy	246	245	241	238	234
<b>Total</b>	<b>739</b>	<b>737</b>	<b>732</b>	<b>726</b>	<b>720</b>

Caruna's customer satisfaction (NPS) improved year-on-year to 38 (32). Customer satisfaction is measured among private customers, companies, landowners, municipal customers and contractors.

During the first half of the year, there was one occupational accident leading to lost working time at Caruna's site in southwestern Finland. The comparable 12-month cumulative contractor safety (LTIF) stood at 2.4 (1.6) at the end of June. At the beginning of 2024, Caruna updated the LTIF calculation method, and from 1 January 2024 this figure also includes personnel injury frequency. The comparison figure has been updated to reflect the new calculation method.

Caruna sent the fourth batch of distribution transformers removed from the network to Ukraine. A total of 27 distribution transformers were sent to support the repair of the war-damaged power grid infrastructure.

Caruna Group's January-June investments totalled EUR 36.8 (63.5) million.

**Delivery reliability remained at an excellent level - the beginning of the year was calm in terms of storms**

In January 2024, a prolonged period of freezing weather without wind tested electricity networks and challenged the adequacy of electric power. In addition to Fingrid, Caruna also encouraged its customers to adjust their consumption, and power shortages were avoided. In January and February, Caruna prepared for two disruptions caused by weather in southwestern and northern

Finland and in Uusimaa, but the situation did not turn into a major disruption.

The total volume of electricity supplied by the distribution network between January and June increased from the corresponding period in the previous year: 5.0 (4.6) TWh. The increase in electricity supply volume was influenced by the cold winter and the progress of the energy transition. The volume of electricity supplied by the high-voltage distribution network also increased from the corresponding period in the previous year: 1.7 (1.2) TWh.

The reliability of electricity supply is measured by the System Average Interruption Duration Index (SAIDI). The average interruption time of Caruna's electricity distribution per customer was 23 (27) minutes during January-June, which was due to the few storms in Caruna's network areas at the beginning of the year and the network improvement measures carried out in recent years.

The reliability of supply rate was 99.99 (99.99) per cent. The System Average Interruption Frequency Index (SAIFI) per customer was 0.53 (0.55) events.

**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 3,284 million in

interest-bearing debt, of which EUR 2,510 million is external to the Group and EUR 774 million is a shareholder loan.

Caruna's revolving credit facility (RCF) was renewed in June. The size of the new facility is EUR 300 million, whereas the previous facility was EUR 350 million. The interest rate of the new facility is tied to Caruna's sustainability targets.

During the first half of the year, Caruna raised EUR 15 million in investment and working capital loans, which the company paid back in June. In addition, Caruna repaid other investment and working capital loans totalling EUR 162 million during the reporting period. The aim of liquidity risk management is to safeguard the Group's finances under all circumstances. The amount of the Group's liquid assets and undrawn committed credit lines and financial investments was EUR 336.7 million at the end of June.

Net financing expenses recognised in the income statement for the reporting period were EUR 65.7 (62.0) million, and accrued interest expenses in the balance sheet were EUR 36.7 (36.2) million. All of Caruna's external Senior loans have fixed interest rates when interest rate swaps are taken into consideration. The average interest rate on external loans at the end of the

reporting period was 2.4 per cent (2.4 per cent). Caruna fulfilled the covenant conditions related to the loan agreements.

In January, international credit rating agency Standard & Poor's (S&P) confirmed Caruna's credit rating as "BBB and a stable outlook".

**PERSONNEL**

The number of Caruna's employees at the end of June, summer interns included, was 277 (285).

Personnel well-being was surveyed using the Pulse measurement taken in June, where Caruna's employees assessed their commitment level at 76 (83). Pulse measurements are taken regularly four times a year.

Caruna measures the employee promotion index (eNPS) on a regular basis. The eNPS at the end of June decreased year-on-year to 14 (33).

At the beginning of the year, Caruna renewed the strategic areas of competence concerning personnel. During the spring, several team-specific skills workshops were organised, where each team went through the strategic competence areas of its own area. During the beginning of 2024, the supervisors completed a three-phase supervisor training, which strengthened the supervisors' change management skills.

## 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, such as the unpredictability of the regulatory environment, challenges in the operating environment, and the availability of financing and competent resources.

The most significant risks to operations are related to abnormal weather conditions, supplier risk, and safety. The operational risks are described in more detail in Caruna's annual report at caruna.fi.

The financial risks are presented in note 19 (Management of financial risks) to the consolidated financial statements for 2023.

## GOVERNANCE

The 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 11 March 2024. The Annual General Meeting adopted the financial statements and consolidated financial statements for the financial period from 1 January to 31 December 2023 and decided to discharge the members of the Board of Directors and the CEO from liability for 2023. A decision was made not to pay dividends.

## BOARD OF DIRECTORS

The Board of Caruna Networks Oy includes Matti Ruotsala (chairman), James Adam, Marissa Dardi, Andrew Furze, Jouni Grönroos, Cornelia van Heijningen, Fredrik Lundeborg and Laura Tarkka.

Deputy members are David Demes, Julia Giese and Filip Szopa.

## MANAGEMENT TEAM

The company's Management Team consists of CEO Jyrki Tammivuori, CFO and Deputy CEO Noora Neillimo-Kontio, Head of Electricity Networks Kalle Liuhala and Head of Customer Relations Kosti Rautiainen.

## 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.

## ESTIMATE OF PROBABLE FUTURE DEVELOPMENTS

Caruna estimates that the power demand of its electricity network will grow by approximately 60–200 per cent over the next ten years, depending on the company's operating area, which requires significant electricity network investments to strengthen capacity. The capacity of the electricity network must enable both large power peaks and a steady, increased power demand.

All of this requires proactive reinforcement of the electricity network.

Caruna estimates the investment needs of its companies for the next 10 years to be around 2.5 billion euros. Currently, the Energy Authority's new regulation model will slow down the company's investment pace in the coming years. The new control methods mean a transition from proactive development of the electricity network to reactive operation.

Caruna estimates that the clean transition will slow down in its operating areas. In addition,

in the reactive development of the electricity network, the operational security of electricity distribution is weakened, because the reserve capacity needed for reliable use of the network has to be reserved for the connection of new customers. Investments also have to be prioritised very strictly between growth and renovation, which leads to an increase in the electricity network's maintenance backlog.

Front-oriented development of the electricity network is a prerequisite for the increasing connection of new consumption and production and for providing competitive opportunities for those investing in production and consumption. The construction of an electricity network takes about 5–7 years compared to, for example, the construction of an electricity storage facility, which is completed in a significantly shorter time. In addition, it is important that a potential production or consumption investor is able to produce or consume electricity according to their own needs, for example by participating in the price flexibility of the market.

According to Caruna's view, Finnish legislation and the regulatory authority do not recognise front-loaded investments or the growing investment need resulting from the energy transition, even though at the European level these have recently risen to a significant position. The European Eurelectric, which is an interest organisation representing electricity distribution companies, estimated in May 2024 that the annual invest-

ment need for electricity distribution networks in Europe will be approx. 67 billion euros and in Finland about 1.2 billion euros. This is double the amount of investment compared to the investment volume in recent years.

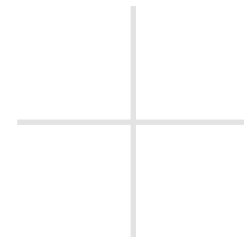
Despite the challenges of the operating environment, Caruna has a good operational situation and stable liquidity. The company is prepared to further adapt its operations if necessary and is confident of maintaining a stable financial position. The company will continue active public advocacy work so that the necessary legal and regulatory changes are made.

**KEY EVENTS AFTER THE REPORTING PERIOD**

In July, Caruna announced price changes in its two network companies, Caruna Oy and Caruna Espoo Oy. Prices will change from 1 September 2024. Both companies' prices have taken into account the increase in value added tax to 25.5 per cent as of 1 September 2024.

In the price changes being made now, Caruna has taken into account the continued increase in the cost level and the change in regulations for the years 2024–2031, which will weaken the proactive and long-term development work of the electricity network and slow down investments in the coming years.

*Caruna is a Finnish electricity network company. We safeguard the reliable distribution of electricity to our customers as electricity consumption increases and we move from fossil to renewable energy. By investing in the electricity network, we make sure that our customers can use domestic, renewable energy and become small-scale producers of electricity. We bring electricity to 739,000 customers in South, Southwest and West Finland, Joensuu and Koillismaa, corresponding to 20 per cent of Finland's electricity distribution.*



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
1 JAN-30 JUN 2024 (IFRS)

EUR thousand	Note	ACT Jan-Jun 2024	ACT Jan-Jun 2023	Change	ACT Jan-Dec 2023
Revenue	2	268,637	246,114	22,523	494,298
Other operating income		1,743	1,780	-37	4,342
Cost of Sales		-33,515	-43,411	9,896	-79,256
Personnel expenses		-13,383	-13,258	-124	-24,987
Other operating expenses		-23,231	-24,404	1,173	-56,099
Depreciation and amortisation		-62,237	-63,108	871	-125,797
		<b>-132,365</b>	<b>-144,181</b>	<b>11,816</b>	<b>-286,139</b>
<b>Operating profit</b>		<b>138,015</b>	<b>103,713</b>	<b>34,302</b>	<b>212,501</b>
Finance income		9,031	6,535	2,496	15,208
Finance costs		-74,718	-68,496	-6,223	-143,308
<b>Net financing items total</b>		<b>-65,687</b>	<b>-61,961</b>	<b>-3,727</b>	<b>-128,100</b>
<b>Profit before taxes</b>		<b>72,327</b>	<b>41,752</b>	<b>30,576</b>	<b>84,401</b>
Income taxes		-10,111	-4,078	-6,033	-25,723
<b>Profit for the period</b>		<b>62,216</b>	<b>37,674</b>	<b>24,543</b>	<b>58,678</b>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
1 JAN-30 JUN 2024 (IFRS)

EUR thousand	ACT Jan-Jun 2024	ACT Jan-Jun 2023	ACT Jan-Dec 2023
<b>Profit for the period</b>	<b>62,216</b>	<b>37,674</b>	<b>58,678</b>
<b>Other comprehensive income:</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement of cash flow hedges	2,914	-4,314	-19,581
Income tax effect	-583	863	3,916
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>2,331</b>	<b>-3,451</b>	<b>-15,665</b>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses (gains) on defined benefit plans	-	-	-54
Income tax effect	-	-	11
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>-</b>	<b>-</b>	<b>-43</b>
<b>Other comprehensive income for the reporting period, net of tax</b>	<b>2,331</b>	<b>-3,451</b>	<b>-15,708</b>
<b>Total comprehensive income for the reporting period, net of tax</b>	<b>64,547</b>	<b>34,222</b>	<b>42,970</b>



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION 30 JUNE 2024 (IFRS)**

EUR thousand	Note	ACT Jun 2024	ACT Jun 2023	ACT Dec 2023
<b>Assets</b>				
<b>Non-current assets</b>				
Goodwill	3	62,468	62,468	62,468
Intangible assets	3	1,586,006	1,583,863	1,583,973
Property, plant and equipment	3	2,389,996	2,417,568	2,417,647
Other long-term assets		1,638	708	491
Derivative financial assets	6	34,235	45,380	28,962
Deferred tax assets		785	826	735
<b>Total non-current assets</b>		<b>4,075,129</b>	<b>4,110,813</b>	<b>4,094,276</b>
<b>Current assets</b>				
Trade and other receivables	5	79,627	78,155	130,675
Other receivables	5	6,321	6,201	6,630
Cash and cash equivalents		18,768	35,451	51,305
<b>Total current assets</b>		<b>104,716</b>	<b>119,807</b>	<b>188,610</b>
<b>Total assets</b>		<b>4,179,845</b>	<b>4,230,620</b>	<b>4,282,885</b>

EUR thousand	Note	ACT Jun 2024	ACT Jun 2023	ACT Dec 2023
<b>Equity</b>				
Share capital		3	3	3
Invested distributable funds		171,204	171,204	171,204
Profit for the period		62,216	37,674	58,678
Retained earnings		-321,282	-249,960	-379,960
Other equity fund		24,319	34,245	21,988
<b>Total equity</b>		<b>-63,540</b>	<b>-6,834</b>	<b>-128,087</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Interest bearing loans and borrowings	7	3,269,476	3,282,380	3,414,761
Derivative financial instruments	6	171	-	-
Deferred tax liabilities		543,939	528,455	538,165
Other non-current liabilities		305,052	304,945	303,064
<b>Total non-current liabilities</b>		<b>4,118,638</b>	<b>4,115,780</b>	<b>4,255,990</b>
<b>Current liabilities</b>				
Interest bearing loans and borrowings	7	14,482	14,463	14,335
Trade payables		20,310	20,698	25,375
Other current liabilities		41,275	40,693	62,595
Other payables		48,680	45,820	52,677
<b>Total current liabilities</b>		<b>124,746</b>	<b>121,674</b>	<b>154,982</b>
<b>Total liabilities</b>		<b>4,243,385</b>	<b>4,237,454</b>	<b>4,410,972</b>
<b>Total equity and liabilities</b>		<b>4,179,844</b>	<b>4,230,620</b>	<b>4,282,885</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)**

EUR thousand	Attributable to the equity holders of the parent					Total
	Share capital	Invested restricted equity fund	Retained Earnings	Other Equity Components		
				Cash flow hedge reserve	Other comprehensive income	
<b>As at 1 January 2024</b>	3	171,204	-321,282	22,096	-108	-128,087
Profit for the period			62,216			62,216
Other comprehensive income				2,331		2,331
<b>Total Comprehensive income for the reporting period</b>			62,216	2,331	-	64,547
<b>At 30 June 2024</b>	3	171,204	-259,066	24,427	-108	-63,540

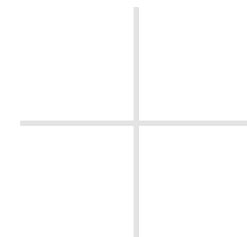
EUR thousand	Attributable to the equity holders of the parent					Total
	Share capital	Invested restricted equity fund	Retained Earnings	Other Equity Components		
				Cash flow hedge reserve	Other comprehensive income	
<b>As at 1 January 2023</b>	3	171,204	-249,960	37,761	-65	-41,057
Profit for the period			37,674			37,674
Other comprehensive income				-3,451		-3,451
<b>Total Comprehensive income for the reporting period</b>			37,674	-3,451	-	34,223
<b>At 30 June 2023</b>	3	171,204	-212,286	34,310	-65	-6,834

**CONSOLIDATED CASH FLOW STATEMENT (IFRS)**

EUR thousand	ACT Jan-Jun 2024	ACT Jan-Jun 2023	ACT Jan-Dec 2023
<b>Operating activities</b>			
Profit for the period	62,216	37,674	58,678
<b>Adjustments</b>			
Income tax expenses	10,111	4,078	25,723
Finance costs-net	65,687	61,961	128,100
Depreciation, amortisation and impairment charges	62,237	63,108	125,797
<b>Total adjustments</b>	<b>138,035</b>	<b>129,147</b>	<b>279,620</b>
<b>Operating profit before depreciations</b>	<b>200,251</b>	<b>166,821</b>	<b>338,298</b>
<b>Non-cash flow items</b>			
Interest received	9,187	5,509	13,491
Interest paid	-77,361	-67,879	-140,673
Taxes paid	-5,966	-5,314	-10,735
<b>Total</b>	<b>-74,084</b>	<b>-67,726</b>	<b>-138,171</b>
<b>Funds from operations</b>	<b>126,167</b>	<b>99,094</b>	<b>200,128</b>
Change in net working capital	30,216	23,422	-16,624
<b>Total net cash from operating activities</b>	<b>156,383</b>	<b>122,517</b>	<b>183,504</b>

EUR thousand	ACT Jan-Jun 2024	ACT Jan-Jun 2023	ACT Jan-Dec 2023
<b>Cash flow from investing activities</b>			
Capital expenditures	-41,885	-73,343	-121,798
Proceeds from sales of fixed assets	206	239	731
<b>Total net cash used in investing activities</b>	<b>-41,680</b>	<b>-73,105</b>	<b>-121,068</b>
<b>Cash flow from financing activities</b>			
Proceeds from long-term liabilities	15,000	450,000	590,000
Payments of long-term liabilities	-155,000	-315,000	-322,143
Payments of short-term liabilities	-7,143	-207,143	-207,143
Payments of leasing liabilities	-97	-88	-115
Dividend to shareholders	-	-	-130,000
<b>Total net cash used in financing activities</b>	<b>-147,240</b>	<b>-72,231</b>	<b>-69,401</b>
<b>Total net increase(+) / decrease(-) in cash and cash equivalents</b>	<b>-32,537</b>	<b>-22,819</b>	<b>-6,965</b>
Cash and cash equivalents in the beginning of the period	51,305	58,270	58,270
<b>Cash and cash equivalents at the end of the period</b>	<b>18,768</b>	<b>35,451</b>	<b>51,305</b>

# Notes to Caruna half year report



## 1. Accounting policies applied to the half year report

### 1.1 BASIS OF PREPARATION

This consolidated condensed half-yearly report has been prepared in accordance with the International Financial Reporting Standards (IFRS), including the International Accounting Standards (IAS) and the IFRIC and SIC interpretations, as adopted by the European Union. The requirements set out in IAS 34 Interim Financial Reporting have been met, as appropriate, in preparing this half-yearly report. The report should be read together with the 2023 consolidated financial statements. This half-yearly report is unaudited.

### 1.2 ACCOUNTING POLICIES

The same accounting policies that were applied in the preparation of the consolidated financial statements for the year ended 31 December

2023, have been applied in this half-yearly report. New standards, amendments and interpretations effective from 1 January 2024 have not had a material impact on Caruna's consolidated financial statements.

### 1.3 CRITICAL ESTIMATES AND ASSESSMENTS IN THE FINANCIAL STATEMENTS

The preparation of a half-yearly report requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The realised items may differ from the estimates. The management estimates made in preparing this half-yearly report and concerning the Group's accounting policies and key uncertainties are the same as those applied to the 2023 consolidated financial statements.

## 2. Net sales

EUR thousand	Caruna Oy			Caruna Espoo Oy			Other and internal			Total		
	ACT Jan–Jun 2024	ACT Jan–Jun 2023	ACT Jan–Dec 2023	ACT Jan–Jun 2024	ACT Jan–Jun 2023	ACT Jan–Dec 2023	ACT Jan–Jun 2024	ACT Jan–Jun 2023	ACT Jan–Dec 2023	ACT Jan–Jun 2024	ACT Jan–Jun 2023	ACT Jan–Dec 2023
<b>Electricity distribution</b>												
Distribution network	203,406	184,649	370,213	42,793	40,895	80,186	-49	-38	-56	246,150	225,507	450,344
High-voltage network	13,874	12,168	24,288	2,688	1,124	3,345	-	-	-	16,562	13,292	27,632
<b>Total</b>	<b>217,280</b>	<b>196,817</b>	<b>394,501</b>	<b>45,481</b>	<b>42,019</b>	<b>83,531</b>	<b>-49</b>	<b>-38</b>	<b>-56</b>	<b>262,712</b>	<b>238,798</b>	<b>477,976</b>
<b>Connection fees</b>												
Distribution network	4,404	5,346	10,951	1,521	1,966	3,702	-	-	-	5,926	7,312	14,653
High-voltage network	-	57	1,722	-	-	-	-	-	-	-	57	1,722
<b>Total</b>	<b>4,404</b>	<b>5,403</b>	<b>12,673</b>	<b>1,521</b>	<b>1,966</b>	<b>3,702</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>5,926</b>	<b>7,369</b>	<b>16,375</b>
<b>Other Net Sales</b>	<b>-</b>	<b>-3</b>	<b>-2</b>	<b>-</b>	<b>-51</b>	<b>-51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-53</b>	<b>-53</b>
<b>Total Net sales</b>	<b>221,684</b>	<b>202,217</b>	<b>407,172</b>	<b>47,002</b>	<b>43,935</b>	<b>87,182</b>	<b>-49</b>	<b>-38</b>	<b>31</b>	<b>268,637</b>	<b>246,114</b>	<b>494,298</b>

### 3. Change in intangible and tangible assets

EUR thousand	ACT Jan–Jun 2024	ACT Jan–Jun 2023	ACT Jan–Dec 2023
Net book value at the beginning of the period	4,064,087	4,063,649	4,063,649
Depreciation and amortisation	-62,237	-63,108	-122,713
Additions	36,977	63,894	131,155
Disposals (incl. accumulated depreciation)	-357	-536	-8,004
<b>Net book value at the end of the period</b>	<b>4,038,470</b>	<b>4,063,899</b>	<b>4,064,087</b>

### 4. Own shares

The Group does not hold any shares of the parent company.

### 5. Trade receivables and other receivables

EUR thousand	ACT Jun 2024	ACT Jun 2023	ACT Dec 2023
Trade receivables	79,627	78,155	130,675
Accrued income and prepaid expenses	6,292	4,776	6,605
Other receivables	28	1,425	26
<b>Total</b>	<b>85,948</b>	<b>84,356</b>	<b>137,306</b>

### 6. Financial risk management

Caruna has not made any changes in policies regarding risk management during the reporting period. Aspects of Caruna's financial

risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for 2023.

EUR thousand	ACT Jun 2024	ACT Jun 2023	ACT Dec 2023
<b>Interest rate- and currency derivatives, hedge accounted</b>			
Positive fair value	34,235	45,380	28,962
Negative fair value	-171	-	-
<b>Net fair value</b>	<b>34,064</b>	<b>45,380</b>	<b>28,962</b>
<b>Total</b>	<b>34,064</b>	<b>45,380</b>	<b>28,962</b>

**FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES AND FAIR VALUE HIERARCHY AS AT 30 JUNE 2024**

EUR thousand	At fair value through profit or loss	At fair value through OCI	Amortised cost	Book value	Fair value	Fair value hierarchy
<b>Non-current financial assets</b>						
Loan arrangement fee, Revolving credit facility			1,638	1,638	1,638	1
Derivative financial instruments (interest and cross-currency)		34,235		34,235	34,235	2
<b>Current financial assets</b>						
Trade receivables			79,627	79,627	79,627	2
Cash and cash equivalents			18,768	18,768	18,768	1
<b>Total financial assets</b>	-	<b>34,235</b>	<b>100,033</b>	<b>134,269</b>	<b>134,269</b>	
<b>Non-current financial liabilities</b>						
Interest-bearing liabilities (floating rate)			414,286	414,286	414,286	2
Interest-bearing liabilities (fixed rate)			2,858,702	2,858,702	2,858,702	2
Accrued loan arrangement fee			-6,326	-6,326	-6,326	1
IFRS 16 lease liability			2,814	2,814	2,814	2
Derivative financial instruments (interest and cross-currency)		171		171	171	2
Connection fee liabilities			302,456	302,456	302,456	3
<b>Current financial liabilities</b>						
IFRS 16 lease liability			196	196	196	2
Interest-bearing liabilities (floating rate)			14,286	14,286	14,286	2
Trade payables			20,310	20,310	20,310	2
<b>Total financial liabilities</b>	-	<b>171</b>	<b>3,606,724</b>	<b>3,606,895</b>	<b>3,606,895</b>	

Financial instruments that are measured at fair value in the balance sheet are presented according to the fair value measurement hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices

included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

## 7. Interest bearing loans and borrowings

EUR thousand	ACT Jun 2024	ACT Jun 2023	ACT Dec 2023
<b>Long-term interest-bearing debts</b>			
Shareholder loan	773,642	773,642	773,642
IBLA-loans	2,085,061	2,084,022	2,083,739
Capex-loans	414,286	428,571	561,429
IFRS 16 lease liability	2,814	2,808	3,061
Loan arrangement fees	-6,326	-6,663	-7,109
<b>Total</b>	<b>3,269,476</b>	<b>3,282,380</b>	<b>3,414,761</b>
<b>Short-term interest-bearing liabilities</b>			
Capex-loans	14,286	14,286	14,286
IFRS 16 lease liability	196	177	49
<b>Total</b>	<b>14,482</b>	<b>14,463</b>	<b>14,335</b>
<b>Total interest-bearing debts</b>	<b>3,283,958</b>	<b>3,296,843</b>	<b>3,429,096</b>

## 8. Capital commitments

EUR thousand	ACT Jun 2024	ACT Jun 2023	ACT Dec 2023
Tangible assets	142,798	308,788	246,308
<b>Total</b>	<b>142,798</b>	<b>308,788</b>	<b>246,308</b>



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We bring electricity to you.

**caruna**