

An aerial photograph of a construction site on a grassy hillside. Three workers in orange safety gear are visible. One worker is near a yellow electrical cabinet, another is near a trench, and a third is further down. A wooden utility pole stands on the right. Power lines run across the scene. A large orange box is overlaid on the top left.

Caruna

INVESTOR REPORT H1

2019

Positive energy.

**caruna**

6 SEPTEMBER 2019

# Year 2019 proceeded in accordance to plan, investment program continued and profit for the period was higher than past year.

EUR million	Act H1/2019	Bud H1/2019
Net sales	240.6	247.2
Profit for the period	11.4	20.5
Income taxes	6.8	8.5
Investments	80.3	133.0
Cash flow after investments	3.1	-57.1

## Key events in H1/2019

Electricity network improvement projects in Caruna's network areas progressed as planned, and modernising the network was continued to ensure the statutory reliability of supply targets are reached by the end of 2028. Between January and June, approximately 1,750 kilometres of electricity network was placed underground to protect it from the weather. Investments improved the reliability of supply for over 13,000 customers. The cabling rate of the entire network rose to 56 per cent.

In January, Caruna initiated cooperation with Telia to install a fibre-optic network in the ground along with weatherproof electric cables. The planning work for the first joint construction sites in Rusko and Raisio in Southwest Finland was started in the spring, and the construction of the networks began in late summer. The joint construction of electricity and fibre-optic networks is the first joint project of this scale in Finland.

The reliability of supply rate was 99.99 (99.98) per cent at the end of June. The highest number of supply interruptions was caused by the storm known as Aapeli in January, during which the highest number of customers simultaneously affected by an interruption of supply was 28,900. The investments to improve the reliability of supply have reduced both the number of electrical faults and the time taken to rectify them. During the storm known as Tapani in 2011, there were more than 200,000 Caruna customers simultaneously without electricity and the day after the storm, there were still more than 100,000 customers without electricity.

The total volume of supplied electricity between January

and June decreased slightly due to a warm beginning of the year: 5.0 (5.2) TWh in the distribution network and 1.4 (1.5) TWh in the high voltage distribution network.

A total of 1,100 (745) new solar power systems were connected to Caruna's electricity network between January and June. By the end of the period, the number of small-scale producers was 5,200 (3,100). To support this target, Caruna launched a digital service in May called Caruna Markkinapaikka that helps customers compare product and price information and select the solar panel provider that suits them best. Caruna does not charge an electricity distribution fee for electricity fed into the network for small-scale producers.

In May, the Energy Authority issued a conditional decision concerning Caruna Oy, which operates mainly in rural areas, on extending the under income recovery period. It enables Caruna Oy to spread out network construction costs over a longer period and balance the customer pricing during the years to come.

In June, Caruna and the Finnish post, Posti, announced continuing their cooperation in observing the condition of secondary substations and distribution cabinets in connection with mail delivery. The cooperation was piloted in 2018. Postal carriers supply photos and observations on a total of 5,000 secondary substations and distribution cabinets in Caruna's network area on an as-needed basis. Posti's data generation service provides Caruna information on the safety and maintenance needs of the network on a more real-time basis.

Caruna has applied the IFRS 16 Leases standard since 1 January 2019. The adoption of the standard has not had significant impact on Caruna's consolidated financial statements.

## Electricity distribution volumes

The total volume of supplied electricity between January and June decreased slightly: 5.0 (5.2) TWh in the distribution network and 1.4 (1.5) TWh in the high voltage distribution network. The decrease was mainly due to warmer winter and spring compared with the same period in the previous year.

## Regulatory and Business Update

There were no changes to regulatory framework during H1 2019. Due to the parliamentary elections in April 2019 the discussion around distribution pricing, foreign ownership, taxation and regulatory model was active. As a result, government program includes a statement that further investigation for tools to lower pricing pressures in electricity distribution should be conducted, no specific

methods yet defined. Caruna is actively following-up discussion and has solid interest promotion agenda towards politicians and Energy Industry Association to impact on decision making.

In addition to previous, the legislative preparations to update Energy Market Act is currently in progress, to allow the extension of under income recovery period (eight years instead of four) for all DSOs if predefined criteria are met. Caruna Oy had applied said extension within the criteria in current legislation and got favourable decision from Energy Authority in March 2019. Based on the decision the extension is granted in case Caruna Oy's cumulative under income at the end of 2019 exceeds 5 per cent of cumulative revenue in 4th regulatory period and 10 per cent of cumulative allowed return within the same period. We are confident to meet these criteria. The extension allows us to smoothen the pricing towards customers, i.e. collect the under income during eight years instead of four.

In relation to the security of supply legislation (weather-proof network until 2028) there were altogether 16 DSOs who applied extension to comply with the requirements. Energy Authority published final decisions on application in June 2019 and there were eight companies getting extension until 2036, 2 companies getting it until 2032 and 6 companies not getting the extension. Companies granted with extension are allowed to postpone part of their investment program until 2032 / 2036 instead of 2028.

Also, Energy Industry Association's regulatory committee have launched a project to prepare for 6th regulatory period (starting 2024) regulatory model updates. An external consultant was selected to facilitate the work and to carry out background analysis. Additionally, Energy Industry Association and Energy Authority are starting the work to implement Clean Energy Package directives into national legislation. No major changes assumed in the distribution area.

Finally, the Regulator has been carrying out focused audits to connection fee principles and pricing of the companies and is in process of updating its guidelines based on these. The aim is to harmonise connection principles and pricing between DSOs and to develop connection pricing towards a shallower pricing. Updated guidelines are expected for DSO commentary after summer and they are expected to come into force from the beginning of 2020.

Caruna's customer base has grown steadily in recent years. The number of customers reached 686 (676) thousand at the end of June, and 3,800 (4,153) new connection contracts were signed.

The split of customers (thousands) between companies is as in the following table:

Company	6/2019	2018	2017	2016
Caruna Oy	472	471	467	463
Caruna Espoo Oy	214	212	205	201
<b>Total</b>	<b>686</b>	<b>683</b>	<b>672</b>	<b>664</b>

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 52 (51) minutes per customer between January and June, and the reliability of electricity supply was 99.99 (99.98) per cent. The System Average Interruption Frequency Index (SAIFI) per customer was 0.78 (0.88) events.

The highest number of supply interruptions was caused by the storm known as Aapeli in January, during which the highest number of customers simultaneously affected by an interruption of supply was 28,900 in West Finland. Fault locations were identified quickly, and thanks to network automation and ring network connections particularly, electricity was restored to most customers quickly.

Caruna works hard to continuously improve its customer satisfaction score, measuring it monthly by the Net Promoter Score index (NPS) based on the opinions of private customers, small and medium-sized customer companies, large customers, landowners, municipal customers and contractors.

Caruna's cumulative NPS score improved, reaching 18.1 (1.8) at the end of June. A reduction in waiting times for customer service from 1 min 32 seconds to 49 seconds and improvement in customer experience in service interactions contributed to this score. In all customer interactions, the customers' experience of the ease of getting service improved and was 4.3 (3.6).

Caruna launched and developed new services between January and June. The first version of the Caruna+ mobile app was launched in the spring. Caruna+ provides a new customer communication channel and enables customers to easily manage all things related to Caruna. Excellent user experience and content that makes customers' daily lives easier were the starting points for service design.

The digital Caruna Markkinapaikka service was launched in May. In Caruna Markkinapaikka, customers can view information about service providers, compare product and price information and select the solar panel provider that suits them best. There are currently over 20 solar power partners participating in Caruna Markkinapaikka. For a service provider, Markkinapaikka offers established contact channels in Caruna's network areas. One of the targets for 2019 is to include charging solutions for electric cars in the service.

Developing the functionalities of the 'My site' online service continued, one of the focus areas being payment solutions offered to customers. In addition, a digital turnkey service for builders was launched, helping new home builders to easily get an electricity connection.

The first customer ombudsman of Caruna was appointed in the spring. A customer can turn to the customer ombudsman in situations where customer service has not found a solution to a situation unsatisfactory to the customer. A customer can also send an appeal to the customer ombudsman, who will investigate all related documents

and will contact the customer to solve the situation. The customer ombudsman processes all appeals independently of all previous case handlers.

## Summary of financial result January-June 2019

### KEY NOTES TO THE INCOME STATEMENT

**Net sales H1 2019 EUR 240.6 million (budget EUR 247.2 million):** The difference to budget was EUR -6.6 million (-2.7 per cent). The distribution sales were 3.1 million less than budget driven by lower local grid transmission volume due to warmer weather than anticipated in the budget. Other sales were 3.5 million lower than plan due to lower connection fees.

**Direct costs H1 2019 EUR 47,9 million (budget 48.7 million):** Direct costs were EUR 0.8 million lower than budget. The lower sales volume drove the costs below budget.

**Fixed costs H1 2019 EUR 39.8 million (budget EUR 38.2 million):** Fixed costs were EUR 1.6 million higher than budget. The personnel costs were higher than in budget due to smaller amount of own work activation. Other fixed costs were on planned level. Stormy January caused EUR 1.8 million cost increase that was compensated by lower costs of external services and other costs.

**Depreciation & amortisation H1 2019 EUR 70.5 million (budget EUR 65.8 million):** The deviation between actuals and budget came from scrapping of old overhead line network. Depreciation includes EUR 14.3 million depreciation of fair value adjustments.

**Net financing expenses H1 2019 EUR 65.1 million (budget EUR 66.0 million):** Interest expenses were close to budget assumption. Interest expenses H1 2019 consist of interest on shareholder loan and interests related to Senior loans. Additionally, net financing expenses H1 2019 include ongoing fees and loan arrangement fee amortisation.

### KEY NOTES TO THE BALANCE SHEET

**Intangible assets EUR 1,646.7 million (budget EUR 1,620.2 million)** were higher than budgeted. Intangible assets consist mainly of non-depreciable fair value of operating licenses and goodwill raising from purchase price allocation EUR 1,590.6 million. Capitalised way leaves and IT-costs contribute for EUR 25.3 million and EUR 16.2 million respectively.

**Property, plant and equipment EUR 2,375.2 million (budget EUR 2,446.3 million)** was lower than planned due

to lower capital expenditure. The balance includes fair value adjustment of network assets from purchase price allocation EUR 587,3 million.

**Other non-current assets EUR 7.7 million (budget EUR 0.0 million),** difference is explained mainly by deferred tax assets and capitalised loan arrangement fees related to Revolving Credit Facility.

**Total equity EUR -113.3 million (budget EUR -115.4 million)** remained negative. The equities of the standalone Finnish companies are positive and comply with Finnish Companies Act.

**Interest-bearing debt EUR 3,278.7 million (budget EUR 3,416.4 million)** was lower than planned. Operating cash flow was higher than expected due to favorable development in working capital and the capital expenditure was lower than in plan.

**Derivative financial instruments EUR 30.5 million (budget EUR 0.0 million)** were more than planned and consist of fair value of interest and currency derivatives.

**Deferred tax liabilities EUR 514,2 million (budget EUR 514.5 million)** were on budget.

### KEY NOTES TO THE CASH FLOW

**Net cash from operating activities was EUR 86.2 million (budget EUR 75.9 million),** which is EUR 10.3 million higher than assumed in budget. The difference is mainly due to favorable development in working capital that compensated the smaller EBITDA.

**Net cash used in investing activities was EUR -83.1 million (budget EUR -133.0 million)** which is EUR 49,9 million less than planned due to lower than anticipated capital expenditure spend for network improvements.

**Net cash used in financing activities was EUR -50.2 million (budget EUR 93.4 million).** The difference of EUR 143,6 million is due to additional loan payment withdrawn to finance higher than anticipated capital expenditure while senior loan withdrawal was postponed.

## Financing

Electricity distribution is a capitalintensive sector. The network improvement programme to be completed by 2029 will require continuous additional financing. Caruna's debts amount to approximately three billion euros, of which over two billion consist of external loans and approximately EUR 900 million is in shareholder loans.

The purpose of Caruna's financing operations is to guarantee the Group's operations in the long term and to ensure that the network improvement programme can be carried out as planned. To achieve this, the company arranges highly diversified funding from several capital markets.

Caruna paid back a capex and revolving credit facility loan amounting to EUR 50 million taken out at the end of 2018.

The credit facilities available are a capex and revolving credit facility amounting to EUR 350 million, a bank overdraft limit of EUR 30 million and a liquidity facility of EUR 6.7 million. Additionally, an investment loan of EUR 100 million from the EIB is currently undrawn. The plan is to disburse the loan during autumn 2019.

The reporting period's net finance costs stated on the income statement were EUR 65.1 (66.0) million and accrued interest expenses on the balance sheet were EUR 35.4 (37.5) million. Of Caruna's loans, 100 per cent have fixed interest rates. The average interest rate on external loans at the end of the year was 2.2 per cent (2.2 per cent).

Caruna complied with the covenant terms of all loan agreements.

Standard & Poor's has confirmed Caruna a long-term credit rating of BBB+ and a stable outlook.

## Personnel

Caruna's project to renew annual performance management and development review process moved forward in February with the deployment of the Onni system. Onni enables giving and requesting feedback, a feature which was well received. Developing the system's development and successor planning was continued.

According to the employee surveys conducted in March and June, the employee engagement index rose to the highest score ever recorded, landing at 73.

The number of employees at the end of June, summer interns included, was 330 (298).

## Annual General Meeting

Caruna Networks Oy's Annual General Meeting was held on 27 March 2019. The AGM approved Caruna's financial statements for 2018, confirmed the consolidated income statement and balance sheet and discharged the members of the Board of Directors and the CEO from liability. No dividends decided to be paid.

## Auditing

The Investor Report is unaudited.

## Risks and uncertainties

Risk management is a part of Caruna's internal control system, and Caruna regularly assesses the strategic, operational and financial 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

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.

### OPERATIONAL RISKS

The most significant risks to operations are related to abnormal weather conditions, supplier risk and safety. For example, abnormal weather conditions may affect the reliability of the supply and distribution network. The key means of preventing interruptions are to replace overhead lines with underground cables, manage the forests near overhead lines and develop remote network control. The operational risks are described in more detail in Caruna's annual report.

## Group structure

Caruna Networks B.V. is the parent company of Caruna Networks B.V. Group (Group). In addition to Caruna Networks B.V., Caruna Networks B.V. Group includes Suomi Power B.V., Caruna Networks Oy, Caruna Oy and Caruna Espoo Oy. Caruna Networks Oy owns Caruna Oy and Caruna Espoo Oy.

Caruna Networks B.V. Group's business arises from Caruna Networks Oy Group (Caruna). Caruna Oy and Caruna Espoo Oy practise electricity distribution network operations and high-voltage distribution network operations in the electrical power systems they own and are two of the distribution network and high-voltage network operators referred to in the Finnish Electricity Market Act, within their areas of responsibility. Caruna Networks Oy provides supportive services for Caruna Oy and Caruna Espoo Oy.

## Outlook for 2019

Group expects to continue its operations as today and aims at profitable growth as presented in the Business Plan approved by the Board. In accordance to business plan Group expects to comply with its debt covenants.

## Subsequent events after reporting period

In an extraordinary general meeting on 1 August, Laura Tarkka, M.Sc (Engineering), CEFA, was appointed as member of Caruna Networks Oy's Board of Directors as of 1 August 2019. She is the CEO of the hotel chain Kämp Collections Hotels.

Head of Governance, Compliance and Risks Harri Pynnä resigned from Caruna Management Team on 31 July 2019. He will act as a Senior Adviser to CEO until his retirement 31 December 2019.

1. We confirm that in respect of this Investor Report dated 6 September 2019, 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

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

## INCOME STATEMENT 1 JANUARY – 30 JUNE 2019

EUR million, cumulative	ACT Jan-Jun 2019	BUD Jan- Jun 2019	Diff	ACT Jan- Jun 2018	FCT Jan-Dec 2019	BUD Jan-Dec 2019	Diff	ACT Jan-Dec 2018	PLAN Jan-Jun 2020	FCT Jul-Dec 2019	ACT Jul-Dec 2018
Distribution sales	235.1	238.2	-3.1	224.7	454.2	465.5	-11.3	438.2	251.0	219.1	213.5
Other sales	5.5	9.0	-3.5	5.8	13.9	15.6	-1.7	15.9	11.9	8.4	10.1
<b>NET SALES</b>	<b>240.6</b>	<b>247.2</b>	<b>-6.6</b>	<b>230.5</b>	<b>468.1</b>	<b>481.1</b>	<b>-13.0</b>	<b>454.1</b>	<b>262.9</b>	<b>227.5</b>	<b>223.6</b>
Direct costs	-47.9	-48.7	0.8	-51.1	-88.2	-88.2	0.0	-92.5	-44.4	-40.3	-41.4
<b>SALES MARGIN</b>	<b>192.7</b>	<b>198.5</b>	<b>-5.8</b>	<b>179.4</b>	<b>379.9</b>	<b>392.9</b>	<b>-13.0</b>	<b>361.6</b>	<b>218.5</b>	<b>187.2</b>	<b>182.2</b>
Other Income	1.5	2.4	-0.9	5.8	3.5	4.8	-1.3	7.4	2.4	2.0	1.6
Personnel costs	-13.2	-11.9	-1.3	-12.2	-23.7	-23.1	-0.6	-22.9	-11.5	-10.5	-10.7
Repairs & Maintenance	-10.1	-7.7	-2.4	-9.7	-20.1	-18.1	-2.0	-21.3	-11.0	-10.0	-11.6
External Services	-8.2	-12.5	4.3	-12.6	-26.0	-25.8	-0.2	-22.9	-15.8	-17.8	-10.3
Other expenses	-8.3	-6.1	-2.2	-8.1	-14.5	-12.0	-2.5	-14.5	-1.0	-6.2	-6.4
<b>Total fixed costs</b>	<b>-39.8</b>	<b>-38.2</b>	<b>-1.6</b>	<b>-42.6</b>	<b>-84.3</b>	<b>-79.0</b>	<b>-5.3</b>	<b>-81.6</b>	<b>-39.2</b>	<b>-44.5</b>	<b>-39.0</b>
<b>EBITDA</b>	<b>154.4</b>	<b>162.7</b>	<b>-8.3</b>	<b>142.6</b>	<b>299.1</b>	<b>318.7</b>	<b>-19.6</b>	<b>287.4</b>	<b>181.8</b>	<b>144.7</b>	<b>144.8</b>
Depreciation and amortisation	-70.5	-65.8	-4.7	-65.0	-130.1	-131.9	1.8	-133.2	-66.6	-59.6	-68.2
<b>OPERATING PROFIT</b>	<b>83.9</b>	<b>96.9</b>	<b>-13.0</b>	<b>77.6</b>	<b>169.0</b>	<b>186.8</b>	<b>-17.8</b>	<b>154.2</b>	<b>115.2</b>	<b>85.1</b>	<b>76.6</b>
Financial Income	0.1	-	-	0.1	0.1	-	-	0.1	-	-	-
Interest expenses on Senior loan	-26.0	-26.7	0.7	-24.5	-56.9	-53.3	-3.6	-50.2	-29.3	-30.9	-25.7
Interest expenses on SHL loan	-37.5	-38.4	0.9	-38.8	-76.0	-76.8	0.8	-77.6	-37.1	-38.5	-38.8
Ongoing fees	-0.4	-0.9	0.5	-1.0	-0.9	-1.7	0.8	-1.6	-0.8	-0.5	-0.6
Loan arrangement fee amortisation	-0.3	-0.2	-0.1	-0.3	-0.6	-0.4	-0.2	-0.6	-0.2	-0.3	-0.3
Other Financial Items	-1.0	0.2	-1.2	-0.5	-3.0	-	-	-1.6	-	-2.0	-1.1
<b>Net financial expenses</b>	<b>-65.1</b>	<b>-66.0</b>	<b>0.9</b>	<b>-65.0</b>	<b>-137.3</b>	<b>-132.2</b>	<b>-5.1</b>	<b>-131.5</b>	<b>-67.4</b>	<b>-72.2</b>	<b>-66.5</b>
<b>RESULT BEFORE TAX</b>	<b>18.8</b>	<b>30.9</b>	<b>-12.1</b>	<b>12.6</b>	<b>31.7</b>	<b>54.6</b>	<b>-22.9</b>	<b>22.7</b>	<b>47.8</b>	<b>12.9</b>	<b>10.1</b>
Income taxes	-6.8	-8.5	1.7	-4.7	-12.3	-17.0	4.7	-11.3	-11.7	-5.5	-6.6
Deferred taxes	-0.6	-1.9	1.3	-14.1	-1.7	3.3	-5.0	8.3	2.0	-1.1	22.4
<b>RESULT FOR THE PERIOD</b>	<b>11.4</b>	<b>20.5</b>	<b>-9.1</b>	<b>-6.2</b>	<b>17.7</b>	<b>40.9</b>	<b>-23.2</b>	<b>19.7</b>	<b>38.1</b>	<b>6.3</b>	<b>25.9</b>

## BALANCE SHEET

EUR million	ACT 30 Jun 2019	BUD 30 Jun 2019	ACT 30 Jun 2018	FCT 31 Dec 2019	BUD 31 Dec 2019	ACT 31 Dec 2018	PLAN 30 Jun 2020
<b>ASSETS</b>							
<b>Non-current assets</b>							
Intangible assets	1,646.7	1,620.2	1,645.1	1,632.1	1,619.7	1,649.3	1,630.3
Property, plant and equipment	2,375.2	2,446.3	2,301.2	2,447.1	2,489.2	2,359.5	2,493.5
Other non-current assets	7.7	-	3.8	7.5	-	3.5	-
<b>Total non-current assets</b>	<b>4,029.6</b>	<b>4,066.5</b>	<b>3,950.1</b>	<b>4,086.7</b>	<b>4,108.9</b>	<b>4,012.3</b>	<b>4,123.8</b>
<b>Current assets</b>							
Trade receivables	78.1	90.0	71.4	116.4	140.8	111.2	147.0
Other current receivables	2.6	-	5.1	0.7	-	4.0	-
Cash and cash equivalents	12.2	88.3	1.7	61.6	124.9	59.3	138.9
<b>Total current assets</b>	<b>92.9</b>	<b>178.3</b>	<b>78.2</b>	<b>178.7</b>	<b>265.7</b>	<b>174.5</b>	<b>285.9</b>
<b>TOTAL ASSETS</b>	<b>4,122.5</b>	<b>4,244.8</b>	<b>4,028.3</b>	<b>4,265.4</b>	<b>4,374.6</b>	<b>4,186.8</b>	<b>4,409.7</b>
<b>EQUITY</b>							
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	11.4	20.5	-6.2	17.7	40.9	19.7	38.1
Retained earnings	-272.6	-302.6	-292.2	-272.6	-308.2	-292.2	-267.3
Other equity components	-23.4	-4.5	-3.9	-23.4	-3.3	-5.8	-3.3
<b>Total equity</b>	<b>-113.3</b>	<b>-115.4</b>	<b>-131.0</b>	<b>-107.0</b>	<b>-99.4</b>	<b>-107.0</b>	<b>-61.2</b>
<b>LIABILITIES</b>							
<b>Non-current liabilities</b>							
Senior loan	2,384.4	2,512.8	2,249.3	2,524.8	2,606.2	2,430.5	2,625.7
Shareholder loan	901.0	903.6	931.5	871.0	873.6	901.0	873.6
Loan arrangement fees	-6.7	-	-6.8	-6.7	-	-6.8	-5.7
Derivative financial instruments	30.2	-	17.5	30.2	-	8.5	-
Deferred tax liabilities	514.2	514.5	537.5	515.3	512.2	513.6	510.2
Provisions	0.1	-	0.2	0.1	-	0.2	-
Other non-current liabilities	304.4	304.8	304.6	303.9	304.9	304.6	307.6
<b>Total non-current liabilities</b>	<b>4,127.6</b>	<b>4,235.7</b>	<b>4,033.8</b>	<b>4,238.6</b>	<b>4,296.9</b>	<b>4,151.6</b>	<b>4,311.4</b>
<b>Current liabilities</b>							
Derivative financial instruments	-	-	0.1	-	-	3.2	-
Trade payables	35.2	41.5	51.3	49.7	49.7	53.6	50.0
Accrued interest expenses	35.4	37.5	35.8	38.5	37.5	37.9	39.4
Other current interest-free payables	37.6	45.5	38.3	45.6	89.9	47.5	70.1
<b>Total current liabilities</b>	<b>108.2</b>	<b>124.5</b>	<b>125.5</b>	<b>133.8</b>	<b>177.1</b>	<b>142.2</b>	<b>159.5</b>
<b>TOTAL LIABILITIES</b>	<b>4,235.8</b>	<b>4,360.2</b>	<b>4,159.3</b>	<b>4,372.4</b>	<b>4,474.0</b>	<b>4,293.8</b>	<b>4,470.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,122.5</b>	<b>4,244.8</b>	<b>4,028.3</b>	<b>4,265.4</b>	<b>4,374.6</b>	<b>4,186.8</b>	<b>4,409.7</b>

## CASH FLOW STATEMENT

EUR million	ACT Jan-Dec 2018	BUD Jan-Dec 2018	Diff.	ACT Jan-Dec 2018	ACT Jan-Dec 2017	Change	BUD Jan-Dec 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>							
Result for the period	11.4	20.5	-6.2	17.7	40.9	19.7	38.1
<b>Adjustments:</b>							
Income tax expenses	7.4	10.4	18.8	14.0	13.7	3.0	9.7
Finance costs-net	65.1	66.0	65.0	137.3	132.2	131.5	67.4
Depreciation, amortisation and impairment charges	70.5	65.8	65.0	130.1	131.9	133.2	66.6
<b>Operating profit before depreciations (EBITDA)</b>	<b>154.4</b>	<b>162.7</b>	<b>142.6</b>	<b>299.1</b>	<b>318.7</b>	<b>287.4</b>	<b>181.8</b>
Non-cash flow items and divesting activities	1.1	-	-1.7	1.6	-	-1.1	-
Interest received	2.2	-	3.2	0.0	-	6.2	-
Interest paid, Senior Loan	-33.9	-31.4	-36.5	-57.5	-63.8	-69.5	-29.3
Interest paid, Shareholder Loan	-37.7	-39.1	-39.6	-76.6	-77.5	-79.2	-37.5
Ongoing fees, paid	-0.4	-1.1	-0.7	-0.8	-1.9	-1.5	-1.0
Other financial expenses paid	-0.8	-	-1.6	-1.2	-	-4.7	-
Taxes	-4.0	-1.1	-2.6	-11.5	-2.1	-11.5	-8.5
<b>Funds from operations</b>	<b>80.9</b>	<b>90.0</b>	<b>63.1</b>	<b>153.1</b>	<b>173.4</b>	<b>126.1</b>	<b>105.5</b>
Change in working capital	5.3	-14.1	14.2	-11.4	-34.2	1.8	-27.5
<b>Total net cash from operating activities</b>	<b>86.2</b>	<b>75.9</b>	<b>77.3</b>	<b>141.7</b>	<b>139.2</b>	<b>127.9</b>	<b>78.0</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>							
Capital expenditures	-83.2	-133.0	-125.4	-199.1	-220.7	-262.4	-84.6
Proceeds from sales of fixed assets	0.1	-	0.1	0.1	-	0.1	-
<b>Total net cash used in investing activities</b>	<b>-83.1</b>	<b>-133.0</b>	<b>-125.3</b>	<b>-199.0</b>	<b>-220.7</b>	<b>-262.3</b>	<b>-84.6</b>
<b>Cash flow before financing activities</b>	<b>3.1</b>	<b>-57.1</b>	<b>-48.0</b>	<b>-57.3</b>	<b>-81.5</b>	<b>-134.4</b>	<b>-6.6</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>							
Proceeds from long-term liabilities	-	93.4	20.0	140.0	184.4	220.0	20.7
Payments of long-term liabilities	-50.0	-	-20.0	-80.0	-30.0	-70.3	-
Change in short-term liabilities	-0.2	-	-	-0.4	-	-	-
Other financing items	-	-	-	-	-	-	-
<b>Total net cash used in financing activities</b>	<b>-50.2</b>	<b>93.4</b>	<b>0.0</b>	<b>59.6</b>	<b>154.4</b>	<b>149.7</b>	<b>20.7</b>
<b>Total net increase(+) / decrease(-) in cash and cash equivalents</b>	<b>-47.1</b>	<b>36.3</b>	<b>-48.0</b>	<b>2.3</b>	<b>72.9</b>	<b>15.3</b>	<b>14.0</b>
<b>Cash and cash equivalents in the beginning of the period</b>	<b>59.3</b>	<b>52.0</b>	<b>44.0</b>	<b>59.3</b>	<b>52.0</b>	<b>44.0</b>	<b>124.9</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>12.2</b>	<b>88.3</b>	<b>-4.0</b>	<b>61.6</b>	<b>124.9</b>	<b>59.3</b>	<b>138.9</b>

## CASH FLOW STATEMENT

Ratio ICR	30 Jun 2019, "Backward"	30 Jun 2019, "Forward"	30 Jun 2019, "Extended Forward"
<b>Senior Interest Cover Ratio</b>	<b>4,6x</b>	<b>5,0x</b>	-
Lock-up	1,7x	1,7x	-
Lock-up breach	-	-	-
Default	1,2x	-	-
Default breach	-	-	-
<b>Senior Leverage Ratio</b>	<b>9,5 %</b>	<b>10,0 %</b>	<b>11,8 %</b>
Lock-up	5,0 %	5,0 %	5,5 %
Lock-up breach	-	-	-
Default	4,0 %	-	-
Default breach	-	-	-

## LOAN COVENANT RATIO CALCULATION

EUR million	H2/2018	H1/2019	"Backward"	H2/2019	H1/2020	"Forward"	"Extended"
			30 Jun 2019			30 Jun 2019	36 months total
<b>Senior Interest Cover Ratio, Denominator:</b>							
EBITDA	144.8	154.4	299.2	144.7	181.8	326.5	
+/- Unrealised gains or losses of electricity derivatives	1.5	1.3	2.8	0.4	0.0	0.4	
+ Income Taxes	-6.6	-6.8	-13.4	-5.5	-11.7	-17.2	
<b>Consolidated EBITDA - taxes, total</b>	<b>139.7</b>	<b>148.9</b>	<b>288.6</b>	<b>139.6</b>	<b>170.1</b>	<b>309.7</b>	
<b>Senior Interest Cover Ratio, Numerator:</b>							
Interest Costs, Senior	-25.7	-26.0	-51.7	-30.9	-29.3	-60.2	
+ Fair valued interest rate derivatives adjustment	-7.0	-3.1	-10.1	-	-	-	
Ongoing fees, Senior	-0.6	-0.4	-1.0	-0.5	-0.8	-1.3	
<b>Net Finance Charges, Senior total</b>	<b>-33.3</b>	<b>-29.5</b>	<b>-62.8</b>	<b>-31.4</b>	<b>-30.1</b>	<b>-61.5</b>	
<b>Senior Interest Cover Ratio</b>			<b>4.6x</b>			<b>5.0x</b>	
<b>Senior Leverage Ratio, Denominator:</b>							
EBITDA	144.8	154.4	299.2	144.7	181.8	326.5	380.5
+/- Unrealised gains or losses of electricity derivatives	1.5	1.3	2.8	0.4	-	0.4	-
Interest Costs, Senior	-25.7	-26.0	-51.7	-30.9	-29.3	-60.2	-59.2
+ Fair valued interest rate derivatives adjustment	-7.0	-3.1	-10.1	-	-	-	-
Ongoing fees, Senior	-0.6	-0.4	-1.0	-0.5	-0.8	-1.3	-1.4
+ Income Taxes	-6.6	-6.8	-13.4	-5.5	-11.7	-17.2	-25.1
<b>Funds from Operations, FFO</b>	<b>106.4</b>	<b>119.4</b>	<b>225.8</b>	<b>108.2</b>	<b>140.0</b>	<b>248.2</b>	<b>294.8</b>
<b>Senior Leverage Ratio, Numerator:</b>							
Senior debt		2,384.4	2,384.4		2,625.7	2,625.7	2,590.5
Cash		-12.2	-12.2		-138.9	-138.9	-96.5
<b>Net debt - Senior</b>	<b>0.0</b>	<b>2,372.2</b>	<b>2,372.2</b>	<b>0.0</b>	<b>2,486.8</b>	<b>2,486.8</b>	<b>2,494.0</b>
<b>Senior Leverage Ratio</b>			<b>9.5%</b>			<b>10.0%</b>	<b>11.8%</b>

EUR million	ACT Jan-Jun 2019	ACT Jan-Jun 2018	ACT Jan-Dec 2018
Permitted Acquisition	none	none	none
Permitted Disposal	0,1	0,1	0,1
Permitted Distribution	-37,7	-39,6	-109,2
Additional Financial Indebtedness	none	none	none

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