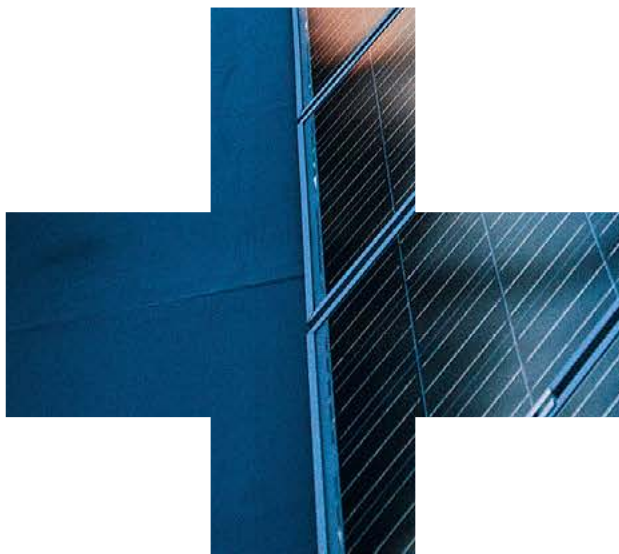




CARUNA OY

Financial Statements and Operating and Financial Review

31 DECEMBER 2020



Positive energy.

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Contents



Financial period 1 January 2020–31 December 2020

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Operating and Financial Review for 2020 by Caruna Oy's Board

Caruna Oy is a part of Caruna Group (Caruna). Caruna Oy is engaged in regulated electricity distribution network operations and high-voltage electricity distribution network operations on the electricity networks it owns, and it is a distribution network and high-voltage distribution network company as referred to in the Electricity Market Act, within its area of responsibility.

Key events during the financial period

Caruna Oy's customer base has grown steadily during the past years. The total number of customers was 479 (474) thousand at the end of 2020. The rate of growth was 1.1% (0.6%).

The electricity supply volume during the year decreased slightly to 6.4 (6.7) TWh on the distribution network and to 2.6 (2.7) TWh on the high-voltage distribution network. The reliability of supply rate was 99.97 (99.98) per cent in 2020.

By the end of December, about 2,400 (2,200) new solar power systems were connected to Caruna Oy's electricity network. By the end of the year, the number of small-scale producers was approximately 8,000 (5,600).

In 2020, construction of the electricity network continued in Caruna Oy's network area, and approximately 3,200 kilometres of the network was built underground, protected from the elements. The cabling rate increased to 57 (54) per cent of the network.

Financial development

In 2020, Caruna Oy's net sales amounted to EUR 388.8 (381.0) million, showing an increase of 2.0 per cent year-on-year. The increase in net sales was mainly due to higher connection fee income.

Variable costs, consisting of transmission costs and grid loss electricity purchases, were EUR 66.4 (68.8) million. The decrease in costs was mainly due to the introduction of reactive energy compensation devices in certain substations. These devices reduce the reactive energy charges to the grid operator and regional network companies.

Operating expenses, including external services, employee costs and other operating expenses, were EUR 66.9 (59.4) million, which is EUR 7.5 million higher than in the previous year. In the year under review, several storms caused additional costs, especially with regard to fault repairs and standby costs, as well as paid outage fees for periods of outages. Depreciation and impairment amounted to EUR 87.3 (91.3) million. Depreciation, amortisation and impairment charges also include scrapping costs arising from dismantling overhead lines in a total amount of EUR 9.3 (13.8) million.

The company's operating profit was EUR 172.2 (167.2) million, and the loss for the financial period was EUR 7.1 (2019: loss of 6.5) million.

The company paid a group contribution of EUR 119.3 (143.4) million to its parent company, Caruna Networks Oy.

Financial key figures

	2020	2019	2018
Net sales (EUR million)	388.8	381.0	369.2
Operating profit (EUR million)	172.2	167.2	153.7
Operating profit (% of net sales)	44.3	43.9	41.6
Loss for the period (EUR million)	-7.1	-6.5	-7.8
Investments (EUR million)	121.9	144.4	232.5
Return on equity (%)	26.7	26.5	24.5
Equity ratio (%)	30.8	29.5	30.7

Business activities

Caruna Oy has approximately 80,250 kilometres of electricity network in its operating area of South, Southwest and West Finland, and in the regions of Koillismaa and Satakunta. The electricity supply volume during the year decreased slightly to 6.4 (6.7) TWh on the distribution network and to 2.6 (2.7) TWh on the high-voltage distribution network.

Caruna Oy's customer base has grown steadily during the past years. The total number of customers was 479 (474) thousand at the end of 2020. The rate of growth was 1.1% (0.6%). A total of 1,700 (1,400) new connection contracts were signed.

The reliability of electricity supply is measured by the System Average Interruption Duration Index (SAIDI). The average interruption time in Caruna Oy's electricity distribution (SAIDI) was 135 (103) minutes per customer in 2020, and the reliability of electricity supply was 99.97 (99.98) per cent. The System Average Interruption Frequency Index (SAIFI) per customer was 2.12 (1.74) events.

Bigro Ab in Närpiö, which is among Finland's largest tomato cultivation businesses, and Timo Juntti Oy in Kaarina, a market garden specialising in cucumber, began using

110 kV network connections for their greenhouses. The contracts for the new connections were signed in 2019. The new connections in Närpes and Kaarina will enable production to expand and will provide the greenhouses with reliable, cost-efficient electricity distribution.

In September, an agreement was signed with wind power company Rustari Wind Oy on the construction of a 110 kV transformer field in Jalasjärvi. The new transformer field will enable renewable energy to be connected to the network. Commissioning should take place in September 2022.

Fortum and Caruna have worked together on a pilot project in Inkoo to develop a battery system to store electricity and improve the reliability of electricity distribution and the quality of supply. The battery system, which was commissioned in August, is the largest battery connected to Finland's distribution network.

By the end of December, about 2,400 (2,200) new solar power systems were connected to Caruna Oy's electricity network. By the end of the year, the number of small-scale producers was approximately 8,000 (5,600).

An extensive network improvement programme, which began in 2014 and involved modernising the electricity network in 20 municipalities in Ostrobothnia and Koillismaa, was completed in June. The project called for approximately 1,600 kilometres of medium-voltage electricity network to be placed underground to protect it from the weather.

In 2020, construction of the electricity network continued in Caruna Oy's network area, and approximately 3,200 kilometres of the network was built underground, protected from the elements. The cabling rate increased to 57 (54) per cent of the network.

Approximately 180 kilometres of overhead lines in Raasepori and Hanko were replaced by underground cables that are protected from the weather. Caruna intends to build approximately 750 kilometres of weatherproof electricity network infrastructure by 2023. The project began in 2018.

A significant power line overhaul was completed on the high-voltage distribution network when the power line between Kyröskoski and Paununperä was upgraded in the Hämeenkyrö and Ikaalinen areas. A total of 33 kilometres of the power line was overhauled, and this will improve the quality of electricity supplied to high-voltage customers in the area.

Caruna Oy's investments amounted to EUR 121.9 (144.4) million.

Research and development

Total research and development expenditure for the financial period amounted to EUR 0.2 (2019: 0.2 and 2018: 0.1) million, which is 0.25 (2019: 0.37 and 2018: 0.14) per cent of operating expenses.

Employees

Caruna Oy employed an average of 247 (2019: 242 and 2018: 231) personnel, and it had 241 (2019: 241 and 2018: 219) employees at the end of year. During the financial year, the company paid EUR 14.5 (2019: 13.8 and 2018: 13.2) million in wages and salaries.

More information on employees can be found in the corporate responsibility section of Caruna Group's annual report published at caruna.fi/en.

Corporate responsibility

More information on corporate responsibility can be found in the corporate responsibility section of Caruna Group's annual report published at caruna.fi/en.

Risks

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.

FINANCIAL RISKS

LIQUIDITY RISK

As part of Caruna Group, Caruna Oy utilises the corporation's committed credit limits and other credit facilities that it can use to balance liquidity in addition to funds from operations.

CREDIT RISK

Caruna Group's policies determine the credit rating requirements for customers and derivative financial instrument counterparties, as well as the investment

transaction principles. Caruna Oy's customers can have supply or connection contracts including a collateral or advance payment to cover any contractual amounts that remain outstanding. Collaterals hedge against potential credit losses and the accumulation of credit losses is closely monitored. Credit losses amounted to EUR 512 (437) thousand in 2020.

PRICE RISK

The price risks related to grid loss electricity will be hedged by signing physical electricity purchase agreements, where necessary.

Statement on changes in shareholders' equity

Caruna Oy's share capital amounts to EUR 2 million. The company has no subordinated loans as defined in the Limited Liability Companies Act.

Board of Directors

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.

The Board convened 9 times during the financial period. The Board members were Matti Ruotsala (Chair), Jouni Grönroos, John Guccione (until 1 August 2020), Gregor Kurth (until 27 March 2020), Michael McNicholas (as of 1 August 2020), Matthew Liddle, Niall Mills, Ellen Richardson (as of 27 March 2020) and Laura Tarkka. The deputy members were Ellen Richardson (until 27 March 2020), Nicolas Grant, Agnieszka Gawron (as of 5 November 2020) and Ines Grund (until 5 November 2020).

Niall Mills, Ellen Richardson and Nicolas Grant resigned from the Board on 1 March 2021. The extraordinary general meeting held on 2 March 2021 elected James Adam and Fredrik Lundeborg as new members of the Board.

Auditors

Caruna Oy's audit firm was Deloitte Oy, with Reeta Virolainen, Authorised Public Accountant, acting as the auditor with principal responsibility.

Shares and ownership

The company has 470,671 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 financial period

In January 2021, Storm Toini had the greatest impact on electricity distribution to Caruna's customers in Southwest Finland. Approximately 7,700 customers suffered power cuts at the same time.

In January 2021, the Government presented a draft bill for amending the Electricity Market Act. Caruna has made advance preparations for the amendments and will continue its detailed analysis of the impacts on Caruna's companies.

Ontario Teachers' Pension Plan Board (Ontario Teachers') and KKR acquired each a 20% holding in Caruna from First Sentier Investors (FSI) on 1 March 2021. In a separate transaction that also completed on 1 March, AMF acquired Keva's 12.5% holding in Caruna.

Separately, Ontario Teachers' and KKR have signed binding documentation to acquire a further 40% holding in Caruna from OMERS, which will increase their ownership to 40% each. This later transaction is expected to close during the second quarter of 2021, pending regulatory approvals.

Niall Mills, Ellen Richardson and Nicolas Grant resigned from the Board on 1 March 2021. The extraordinary general meeting held on 2 March 2021 and James Adam and Fredrik Lundeborg were elected as new members of the Board.

Estimate of probable future developments

Caruna Oy operates as an electricity distribution company in a regulated operating environment as part of Caruna Group. Caruna Networks Oy will continue to operate as the parent company, providing Caruna Oy with administrative services and other services to support electricity distribution, such as Caruna's electronic service platform and fibre construction for customers and partners.

According to a draft bill proposed by the Finnish Government in January 2021, the reliability of supply requirements will be postponed from 2028 to 2036 for companies with medium-voltage networks that had a cabling rate of less than 60 per cent at the end of 2018. Caruna Oy fulfils this criterion within Caruna Group.

The maximum annual increase in the post-tax price of electricity distribution is proposed to be lowered from the present 15 per cent to eight per cent.

Board of Directors' proposal for dividend distribution

Caruna Oy's distributable assets totalled EUR 10,876,356.49. The company's net loss for the financial period was EUR 7,115,684.62. The Board of Directors proposes to the annual general meeting that no dividends be paid for 2020 and that the losses be transferred to retained earnings.

PROFIT AND LOSS STATEMENT

EUR	Note	1 January 2020- 31 December 2020	1 January 2019- 31 December 2019
Net sales	3	388,848,515.62	380,984,798.26
Capitalised own work		1,151,908.54	1,497,101.76
Other operating income	4	2,758,537.30	5,617,263.06
Materials and supplies	5	-94,966,694.19	-92,727,926.42
Personnel expenses	6	-17,017,661.10	-17,070,855.94
Depreciation and impairment	7	-87,349,669.68	-91,287,885.34
Other operating expenses	8	-21,251,917.19	-19,789,375.21
Operating profit		172,173,019.30	167,223,120.17
Finance income and costs	9	-26,638,241.55	-26,493,136.86
Profit before appropriations and taxes		145,534,777.75	140,729,983.31
Appropriations	10	-152,562,812.42	-147,027,305.96
Income taxes	11	-87,649.95	-166,218.79
Loss for the period		-7,115,684.62	-6,463,541.44

BALANCE SHEET

EUR	Note	31 December 2020	31 December 2019
ASSETS			
Non-current assets	12		
Intangible assets		41,387,598.36	42,681,934.97
Tangible assets		1,588,598,695.65	1,552,898,499.19
Investments		48,973.96	48,973.96
Total non-current assets		1,630,035,267.97	1,595,629,408.12
Current assets			
Current receivables	13	128,477,771.26	175,972,842.71
Cash and cash equivalents	14	39,000,000.00	38,300,000.00
Total current assets		167,477,771.26	214,272,842.71
TOTAL ASSETS		1,797,513,039.23	1,809,902,250.83
EQUITY AND LIABILITIES			
Equity	15		
Share capital		2,000,000.00	2,000,000.00
Other reserves			
Invested distributable equity fund		73,387,669.09	73,387,669.09
Retained earnings (cumulative loss)		-55,395,627.98	-48,932,086.54
Loss for the financial year		-7,115,684.62	-6,463,541.44
Total equity		12,876,356.49	19,992,041.11
Appropriations	16	373,222,051.58	339,959,239.16
Provisions	17	-	21,419.98
Liabilities			
Non-current liabilities	19	1,199,024,369.13	1,180,258,710.15
Current liabilities	20	212,390,262.03	269,670,840.43
Total liabilities		1,411,414,631.16	1,449,929,550.58
TOTAL EQUITY AND LIABILITIES		1,797,513,039.23	1,809,902,250.83

CASH FLOW STATEMENT

EUR	1 January 2020- 31 December 2020	1 January 2019- 31 December 2019
Cash flows from operating activities		
Net profit before appropriations and taxes	145,559,778.75	140,729,983.31
Finance income and costs	26,638,241.55	26,493,136.86
Adjustments to operating profit		
Depreciation and impairment	87,349,669.68	91,287,885.34
Proceeds on sale of fixed assets and write-offs	-43,315.63	-1,744,874.10
Other non-cash adjustments	-21,419.98	1,384,429.98
Changes in working capital		
Increase/decrease in trade and other current receivables	3,686,983.12	-4,982,999.75
Increase/decrease in current liabilities	-2,193,412.95	4,491,950.72
Changes in working capital total	1,493,570.17	-491,049.03
Interest and other financial expenses paid	-26,758,900.60	-26,005,532.23
Interest received	68,018.37	96,854.63
Income taxes paid	-180,521.92	107,483.88
Cash flows from operating activities	234,105,120.39	231,858,318.64
Cash flows from investments		
Purchase of tangible and intangible items	-127,547,133.58	-147,969,102.94
Proceeds from sale of tangible and intangible assets	137,942.00	2,062,162.00
Change in cash pool account	18,107,329.19	-44,251,377.70
Cash flows from investments	-109,301,862.39	-190,158,318.64
Cash flows from financing activities		
Repayment of non-current borrowings	-124,103,258.00	-40,000,000.00
Cash flows from financing activities	-124,103,258.00	-40,000,000.00
Net increase in cash and cash equivalents	700,000.00	1,700,000.00
Cash and cash equivalents as at 1 Jan	38,300,000.00	36,600,000.00
Cash and cash equivalents as at 31 Dec	39,000,000.00	38,300,000.00

Notes

1. Accounting principles

The financial statements of Caruna Oy have been prepared in accordance with Finnish Accounting Standards and other regulation and legislation governing preparing of financial statements.

1.1 NET SALES

The revenue includes mainly income from transmission and distribution of electricity. The revenue from distribution of electricity is recognised at delivery.

Energy Authority regulates the price charged from customers for the distribution of electricity in Finland. Any over or under income decided by the regulatory body is credited or charged over the next two years in the future to the customer using the electricity connection at that time.

The fees paid by a customer when connected to the electricity network are recognised as revenue in net sales. Connection fees paid by customers when connected to the electricity network before 2003 are refundable in Finland if the customer should ever disconnect the initial connection. These connection fees have not been recognised in the income statement and are included in other non-current liabilities in the balance sheet

1.2 REASONABLENESS OF THE PRICING OF NETWORK SERVICE

The Finnish Energy Authority confirms principles for the pricing of transmission services and supervises the reasonableness of the pricing of network service. The length of the supervision period is four years. The current supervision period includes years 2020-2023. The decisions are issued after the end of each supervision period. Energy Authority confirms the possible over/under income with a separate supervision decision. Over income and possible interest need to be taken into account in pricing in the following supervision period and under income could be considered in pricing decisions during the eight following years with the conditional decision from Energy Authority in 2019.

1.3 OTHER OPERATING INCOME

Proceeds from sales of assets and activities outside normal operations is reported in other operating income. This includes recurring items such as rental income and customer-based services. Customer-based services include eg. relocation fees, connections and meterings in construction sites, installation of new meters, connections and disconnections.

1.4 OUTAGE FEES

Outage fees to customers, in compliance with the Electricity Market Act, for disruptions in electricity distribution lasting longer than 12 hours are recorded as other operating expenses in the statement of profit or loss.

1.5 FOREIGN CURRENCY ITEMS

Transactions in foreign currencies are recorded at the exchange rates prevailing at the transaction dates. Foreign currency receivables and liabilities are converted into euros using the exchange rates prevailing on the balance sheet date. Exchange rate differences arising from operations are recorded to adjust income or costs in the profit and loss statement depending on the nature of the item in question. Exchange rate differences arising from financial items are recorded in the finance income and costs in the profit and loss statement.

1.6 BASIS OF MEASUREMENT OF NON-CURRENT ASSETS

Property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Both intangible and tangible assets are depreciated according to plan over the assets' useful life.

Depreciation periods:

Buildings and structures	20-40 years
Transmission and distribution network	15-40 years
Other machinery and equipment	3-12 years
Wayleave compensations	35 years
Intangible assets	5-10 years

Research and development costs are recognised as an expense in the year in which they are incurred.

Wayleave compensations are one-time compensations paid to the land owners on harm and damage caused by Caruna Oy's electricity network and equipment. Caruna Oy records the paid compensations to the intangible assets in the balance sheet and depreciates them in 35 years.

1.7 INCOME TAXES

Income taxes recognised in the profit or loss statement includes both taxes from reporting period and possible adjustment to prior periods.

Deferred taxes are provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised.

Deferred tax is calculated using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are not recorded in the profit and loss statement or balance sheet but rather presented in the notes.

1.8 PENSIONS

The pension coverage for employees is provided through insurance policies taken out with a pension institution. The statutory pension expenses are recognised as expenses in the year they are incurred.

1.9 PROVISIONS

Provisions are recognised when Caruna Oy has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are recognised as an expense in the statement of profit or loss.

2. Group information

Caruna Oy is consolidated in Suomi Power Networks TopCo B.V. group's sub group Caruna Networks Oy. Caruna Networks Oy owns 100% of Caruna Oy's shares.

Suomi Power Networks TopCo B.V. and Caruna Networks Oy prepare consolidated financial statements according to IFRS. The financial statements are available at the companies' head offices. Suomi Power Networks TopCo B.V. has a registered office in Luna Arena, Herikerbergweg 112, 1101 CM Amsterdam, The Netherlands. Caruna Networks Oy has a registered office in Upseerinkatu 2, Espoo, Finland.

The shareholders of Caruna Oy are through Suomi Power Networks TopCo B.V. mutual pension insurance companies Keva (12,5%) and Elo (7,5%), and international infrastructure investors First Sentier Investors (40%) and OMERS Infrastructure (40%).

3. Net sales

EUR	2020	2019
Distribution sales		
Distribution network	346,962,289.58	342,667,677.23
High-voltage network	27,807,921.88	29,096,955.69
Connection fees		
Distribution network	10,341,698.76	7,784,265.34
High-voltage network	3,736,605.40	1,435,900.00
Total	388,848,515.62	380,984,798.26

4. Other operating income

EUR	2020	2019
Income from sale of scrapped material	856,236.04	1,865,438.22
Customer based services and relocation of connections	1,142,804.69	1,277,860.58
Rental income	559,174.11	597,291.33
Proceeds from sales of fixed assets	19,207.28	1,758,676.34
Other	181,115.18	117,996.59
Total	2,758,537.30	5,617,263.06

5. Materials and supplies

EUR	2020	2019
Raw materials and consumables	-66,355,453.58	-68,825,202.17
External services	-28,611,240.61	-23,902,724.25
Total	-94,966,694.19	-92,727,926.42

6. Personnel and other personnel related expenses

PERSONNEL EXPENSES

EUR	2020	2019
Wages and salaries	-14,537,583.30	-13,787,465.10
Indirect personnel expenses		
Pensions	-1,963,611.69	-2,794,598.78
Other personnel expenses	-516,466.11	-488,792.06
Total	-17,017,661.10	-17,070,855.94

NUMBER OF PERSONNEL

	2020	2019
Average number of personnel during the financial year	247	242

7. Depreciation and impairment

EUR	2020	2019
Depreciation according to plan	-78,030,591.40	-77,442,868.37
Scrappings	-9,319,078.28	-13,845,016.97
Total	-87,349,669.68	-91,287,885.34

8. Other operating expenses

EUR	2020	2019
Rents	-392,005.75	-460,535.45
Losses from sales of fixed assets	-892.65	-13,802.24
Other services	-9,858,743.04	-10,081,274.51
Other expenses	-11,000,275.75	-9,233,763.01
Total	-21,251,917.19	-19,789,375.21

AUDITOR'S FEES, DELOITTE OY, AUDIT FIRM

EUR	2020	2019
Audit fees	-80,045.00	-86,900.00
Total	-80,045.00	-86,900.00

9. Finance income and costs

EUR	2020	2019
Other interest and finance income	70,688.65	97,176.69
Total finance income	70,688.65	97,176.69
Other finance costs		
Group companies	-24,530,597.91	-26,575,959.99
Others	-2,178,332.29	-14,353.56
Total finance costs	-26,708,930.20	-26,590,313.55
Total	-26,638,241.55	-26,493,136.86

10. Appropriations

EUR	2020	2019
Group contribution given	-119,300,000.00	-143,400,000.00
Difference between depreciation according to plan and tax depreciation	-33,262,812.42	-3,627,305.96
Total	-152,562,812.42	-147,027,305.96

11. Income taxes

EUR	2020	2019
Income taxes from group contributions	23,860,000.00	28,680,000.00
Income taxes from ordinary activities	-23,947,649.95	-28,846,218.79
Total	-87,649.95	-166,218.79

12. Non-current assets

INTANGIBLE ASSETS

EUR	Intangible rights	Way leaves	Other non-current expenditure	Total
Acquisition cost 1 Jan 2020	1,056,447.28	33,053,839.53	45,047,366.38	79,157,653.19
Transfers	-	2,233,877.55	4,413,380.30	6,647,257.85
Disposals	-	-268,543.54	-	-268,543.54
Acquisition cost 31 Dec 2020	1,056,447.28	35,019,173.54	49,460,746.68	85,536,367.50
Accumulated amortisation and impairment 1 Jan 2020	-490,401.11	-7,886,367.30	-28,098,949.81	-36,475,718.22
Accumulated amortisation relating to disposals and transfers	-	268,543.54	-	268,543.54
Depreciation for the period	-59,424.96	-945,958.77	-6,774,573.61	-7,779,957.34
Write-downs	-	-161,637.12	-	-161,637.12
Accumulated amortisation and impairment 31 Dec 2020	-549,826.07	-8,725,419.65	-34,873,523.42	-44,148,769.14
Carrying amount 31 Dec 2020	506,621.21	26,293,753.89	14,587,223.26	41,387,598.36
Carrying amount 31 Dec 2019	566,046.17	25,167,472.23	16,948,416.57	42,681,934.97

TANGIBLE ASSETS

EUR	Land	Buildings	Machinery and equipment	Transmission and distribution network	Prepayments and construction in progress	Total
Acquisition cost 1 Jan 2020	4,192,384.35	24,190,746.82	9,138,561.71	2,161,861,300.21	82,159,907.15	2,281,542,900.24
Additions	-	-	-	-	121,875,157.00	121,875,157.00
Transfers	68,609.20	22,60-	1,021,645.45	140,372,222.82	-148,132,335.42	-6,647,257.95
Disposals	-	-	-253,857.71	-18,183,923.19	-	-18,437,780.90
Acquisition cost 31 Dec 2020	4,260,993.55	24,213,346.82	9,906,349.45	2,284,049,599.84	55,902,728.73	2,378,333,018.39
Accumulated amortisation and impairment 1 Jan 2020	-	-9,174,154.11	-4,714,926.99	-714,755,319.95	-	-728,644,401.05
Accumulated depreciation relating to disposals and transfers	-	-	134,230.34	18,183,923.19	-	18,318,153.53
Depreciation for the period	-	-1,009,190.33	-1,371,560.94	-67,869,882.79	-	-70,250,634.06
Write-downs	-	-	-	-9,157,441.16	-	-9,157,441.16
Accumulated amortisation and impairment 31 Dec 2020	-	-10,183,344.44	-5,952,257.59	-773,598,720.71	-	-789,734,322.74
Carrying amount 31 Dec 2020	4,260,993.55	14,030,002.38	3,954,091.86	1,510,450,879.13	55,902,728.73	1,588,598,695.65
Carrying amount 31 Dec 2019	4,192,384.35	15,016,592.71	4,423,634.72	1,447,105,980.26	82,159,907.15	1,552,898,499.19
Carrying amount of machinery and equipment used for production						
31 Dec 2020						1,510,450,879.13
31 Dec 2019						1,447,105,980.26

INVESTMENTS

EUR	Other shares and interests	Total
Acquisition cost 1 Jan 2020	48,973.96	48,973.96
Acquisition cost 31 Dec 2020	48,973.96	48,973.96
Carrying amount 31 Dec 2020	48,973.96	48,973.96
Carrying amount 31 Dec 2019	48,973.96	48,973.96

OTHER SHARES AND INTERESTS

Company name	Registered office	No of shares	Carrying amount
Asunto Oy Keskilohja	Lohja	14	4,613.73
Asunto Oy Laurintorni	Lohja	7	4,271.97
Asunto Oy Linnaistenkuja	Lohja	51	7,689.56
Asunto Oy Nummelan Väinämöisentie	Vihti	8	1,702.06
Asunto Oy Suurlohjankatu 18-22	Lohja	8	3,417.57
Kiinteistö Oy Järvenpään Asemamäen paikoitustalo	Järvenpää	1	252.28
Kiinteistö Oy Jumpinpelto	Merikarvia	25	4,204.70
Kiinteistö Oy Kimitobacken	Kemiö	240	4,036.51
Kiinteistö Oy Suulivainio	Merikarvia	15	2,522.82
Kiinteistö Oy Tammitori	Lohja	50	15,891.75
Salon Golfkeskus Oy	Salo	1	370.01
Kiinteistö Oy Alavuden Säästökeskus	Alavus	14	1.00
Karjaan Puhelin Oy	Karjaa	330	-
Total			48,973.96

TOTAL NON-CURRENT ASSETS

EUR	2020	2019
Total non-current assets	1,630,035,267.97	1,595,629,408.12

13. Current receivables

EUR	2020	2019
Trade receivables	104,601,608.00	108,387,117.80
Other receivables	-	20,000.00
Prepayments and accrued income		
Income tax receivables	183,625.87	90,753.90
Insurance prepayments	27,467.27	44,950.03
Indirect personnel expenses	9,319.47	-
Other prepayments and accrued income	690,881.53	446,572.56
Prepayments and accrued income total	911,294.14	582,276.49
Receivables from group companies		
Trade receivables	715,343.33	832,962.33
Other receivables from group companies		
Cash pool account	22,249,525.79	66,150,486.09
Receivables from group companies total	22,964,869.12	66,983,448.42
Total current receivables	128,477,771.26	175,972,842.71

Cashpool receivables of EUR 22,249,525.79 (66,150,486.09) are part of the group cash pool arrangements and the company's option to reclaim these resources is limited to other cash pool account balances by other group companies.

14. Cash and cash equivalents

EUR	2020	2019
OP Corporate Bank Plc	39,000,000.00	38,300,000.00

15. Equity

EUR	2020	2019
Restricted equity		
Share capital 1 Jan	2,000,000.00	2,000,000.00
Share capital 31 Dec	2,000,000.00	2,000,000.00
Total restricted equity	2,000,000.00	2,000,000.00
Unrestricted equity		
Invested distributable equity fund 1 Jan	73,387,669.09	63,387,669.09
Additions for invested distributable equity fund	-	10,000,000.00
Invested distributable equity fund 31 Dec	73,387,669.09	73,387,669.09
Retained earnings 1 Jan	-55,395,627.98	-48,932,086.54
Retained earnings 31 Dec	-55,395,627.98	-48,932,086.54
Loss for the period	-7,115,684.62	-6,463,541.44
Total unrestricted equity	10,876,356.49	17,992,041.11
Total equity	12,876,356.49	19,992,041.11

DISTRIBUTABLE UNRESTRICTED EQUITY

EUR	2020	2019
Invested distributable equity fund	73,387,669.09	73,387,669.09
Retained earnings	-55,395,627.98	-48,932,086.54
Loss for the period	-7,115,684.62	-6,463,541.44
Total	10,876,356.49	17,992,041.11

16. Appropriations

EUR	2020	2019
Accumulated depreciation difference	373,222,051.58	339,959,239.16

17. Provisions

EUR	2020	2019
Other provisions	-	21,419.98

18. Deferred tax liabilities

EUR	2020	2019
From appropriations	74,644,410.32	67,991,847.83
From timing differences and temporary differences	7,377,503.90	8,772,740.00
Total	82,021,914.22	76,764,587.83

Deferred tax liabilities are only recognised in group accounts.

19. Non-current liabilities

EUR	2020	2019
Liabilities to group companies		
Loans from group companies	956,750,000.00	937,453,258.00
Connection fees	242,070,219.13	242,601,302.15
Other non-current liabilities	204,150.00	204,150.00
Total non-current liabilities	1,199,024,369.13	1,180,258,710.15

MATURITY OF NON-CURRENT LIABILITIES

EUR	2020
2021	-
2022	204,150.00
2023	-
2024	-
2025 and later	1,198,820,219.13
Total	1,199,024,369.13

20. Current liabilities

EUR	2020	2019
Trade payables	27,040,717.26	33,489,047.93
Other current liabilities	30,696,762.34	32,878,176.87
Accrued expenses		
Accrued employee expenses	3,979,493.41	4,535,077.09
Advance payments	3,713,859.71	4,362,562.38
Other accrued expenses and deferred revenue	40,683.00	311,840.02
Accrued expenses total	7,734,036.12	9,209,479.49
Liabilities to group companies		
Trade payables	857,937.07	41,124.46
Other current liabilities	21,044,851.48	19,090,782.13
Cash pool account	-	25,793,631.11
Group contribution liability	119,300,000.00	143,400,000.00
Accrued expenses		
Accrued interest expenses	5,715,957.76	5,768,598.44
Liabilities to group companies total	146,918,746.31	194,094,136.14
Total current liabilities	212,390,262.03	269,670,840.43
Non-interest bearing liabilities	454,664,631.16	486,682,661.47
Interest bearing liabilities	956,750,000.00	963,246,889.11
Total	1,411,414,631.16	1,449,929,550.58

Liabilities to group companies include cash pool account of EUR 0.00 (25,793,631.11). The company's option to reclaim these resources is limited to other cash pool account balances by other group companies.

21. Commitments and contingent liabilities

EUR	2020	2019
Operating lease liability		
Payable during one year	6,801.96	7,031.90
Payable later than one year	1,738.28	-
Total	8,540.24	7,031.90
Other leases		
Payable during one year	279,799.78	300,999.61
Payable later than one year	1,485,211.06	1,557,665.83
Total	1,765,010.84	1,858,665.44
Other commitments		
Pledges and other assets given on behalf of group companies		
Floating charges	2,220,000,000.00	2,220,000,000.00
Pledges given	2,566,119,713.14	2,604,761,616.52
Mortgages	18,290,995.93	19,208,977.06
Total	4,804,410,709.07	4,843,970,593.58

Caruna Oy has given guarantees and security for the obligations of other group companies as well as Caruna Networks B.V. and Suomi Power B.V. under the finance documents. This guarantee and security liability has expressly not been assumed by Caruna Oy to the extent such assumption would constitute unlawful distribution of assets within the meaning of Chapter 13, Section 1 of the Finnish Companies Act, unlawful financial assistance within the meaning of Chapter 13, Section 10 of the Finnish Companies Act or be otherwise in breach of any other applicable mandatory provisions of Finnish law.

The cash pool accounts of the group and other bank accounts have been pledged as mortgage for loans.

CAPITAL COMMITMENTS

EUR	2020	2019
Property, plant and equipment	166,114,060.19	247,878,378.88
Total	166,114,060.19	247,878,378.88

REAL ESTATE INVESTMENTS

The company has made real estate investments defined in VAT legislation. Related review periods, VAT included in the investment, VAT deducted from the construction cost and amount subject to annual review are presented in the table below.

10 year review period

EUR	2012	2013	2014	2015	2016
Last review period	2021	2022	2023	2024	2025
Cost on real estate investment (net)	75,108,785.75	43,513,673.62	36,554,028.44	76,907,654.34	130,153,862.54
VAT on real estate investment	17,275,020.72	10,443,281.67	8,772,966.83	18,457,837.04	31,236,927.01
Net of VAT	17,275,020.72	10,443,281.67	8,772,966.83	18,457,837.04	31,236,927.01
Amount on annual review	1,727,502.07	1,044,328.17	877,296.68	1,845,783.70	3,123,692.70
Contingent liability subject to review 31 Dec 2020 (Left at 31 Dec 2020)	1,727,502.07 (1/10)	2,088,656.33 (2/10)	2,631,890.05 (3/10)	7,383,134.82 (4/10)	15,618,463.50 (5/10)

EUR	2017	2018	2019	2020
Last review period	2026	2027	2028	2029
Cost on real estate investment (net)	161,447,212.19	182,990,724.88	117,401,701.45	99,429,039.32
VAT on real estate investment	38,747,330.93	43,917,773.97	28,176,408.35	23,862,969.44
Net of VAT	38,747,330.93	43,917,773.97	28,176,408.35	23,862,969.44
Amount on annual review	3,874,733.09	4,391,777.40	2,817,640.83	2,386,296.94
Contingent liability subject to review 31 Dec 2020 (Left at 31 Dec 2020)	23,248,398.56 (6/10)	30,742,441.78 (7/10)	22,541,126.68 (8/10)	21,476,672.49 (9/10)

Contingent liability subject to review

Contingent liability subject to review 31 Dec 2020	127,458,286.28
Contingent liability subject to review 31 Dec 2019	126,435,601.13

OTHER PURCHASE COMMITMENTS

EUR	2020	2019
Electricity purchase commitments	6,319,850.00	7,832,910.00
Total	6,319,850.00	7,832,910.00

22. Related party transactions

Group's related parties include subsidiaries, board of directors, CEOs, members of the managements team and family members of these all before mentioned. There are no significant transactions with persons included in the related parties.

23. Formulas for key figures

Connection fees and accumulated depreciation differences less deferred tax liabilities are added to equity when calculating the figures.

OPERATING PROFIT-%

$$\frac{\text{Operating profit} \times 100}{\text{Net sales}}$$

RETURN ON EQUITY-%

$$\frac{(\text{Profit/Loss before appropriations and taxes} - \text{taxes}) \times 100}{\text{Equity (average for the period)}}$$

EQUITY RATIO-%

$$\frac{\text{Equity} \times 100}{\text{Total assets}}$$

24. Information required by Electricity Market Act

The company operates as a holder of a network as defined in Electricity Market Act.

DIFFERENTIATED OPERATIONS

The degree of the company's operations that are not related to network operations is so low, that they have not been differentiated. Below is presented profit and loss statement and balance sheet for network operations as required by the Electricity Market Act.

PROFIT AND LOSS STATEMENT FOR NETWORK OPERATION

EUR thousands	1 January 2020– 31 December 2020	1 January 2019– 31 December 2019
NET SALES		
Work performed for own use	1,152	1,497
Other operative income	2,741	2,497
Proceeds of sale of investments	43	1,745
Materials and supplies		
Raw materials and consumables		
Purchases during the period		
Loss electricity	-14,086	-11,997
External services		
Fees paid for grid and network services	-52,270	-56,829
Other external services	-31,640	-26,504
Personnel expenses		
Wages and salaries	-14,538	-13,787
Social security expenses		
Pension expenses	-1,964	-2,795
Other social security expenses	-516	-489
Depreciation and impairment		
Depreciation according to plan		
On electricity network assets	-78,578	-83,248
On other non-current assets	-8,772	-8,040
Other operating expenses		
Rental expenses	-394	-461
Other expenses	-17,853	-15,351
OPERATING PROFIT	172,173	167,223
Other interest income and other finance income		
From others	68	97
Interest expense and other finance costs		
To group companies	-26,680	-26,576
To others	-26	-14
PROFIT BEFORE APPROPRIATIONS AND TAXES	145,535	140,730
Appropriations		
Group contributions	-119,300	-143,400
Change in depreciation difference		
Change in depreciation difference on electricity network assets	-30,728	-1,416
Change in depreciation difference on other non-current assets	-2,535	-2,212
Income taxes	-88	-166
LOSS FOR THE PERIOD	-7,116	-6,464

BALANCE SHEET FOR NETWORK OPERATION

EUR thousands	31 December 2020	31 December 2019
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Intangible assets of electricity network	30,479	31,474
Other intangible assets	10,909	11,208
Tangible assets		
Tangible assets of electricity network	1,447,327	1,390,144
Other tangible assets	85,368	80,595
Prepayments and constructions in progress	55,903	82,160
Investments	49	49
TOTAL NON-CURRENT ASSETS	1,630,035	1,595,630
CURRENT ASSETS		
Receivables		
Current receivables		
Cash pool receivables	22,250	66,150
Receivables from others	106,228	109,822
Cash and cash equivalents	39,000	38,300
TOTAL CURRENT ASSETS	167,478	214,272
TOTAL ASSETS	1,797,513	1,809,902

EUR thousands	31 December 2020	31 December 2019
EQUITY AND LIABILITIES		
Equity		
Share capital	2,000	2,000
Other reserves	73,388	73,388
Retained earnings (loss)	-55,396	-48,932
Loss for the period	-7,116	-6,464
TOTAL EQUITY	12,876	19,992
Appropriations		
Depreciation difference	373,222	339,959
Provisions	-	21
Liabilities		
Non-current liabilities		
Non-current interest bearing liabilities		
Amounts owed to group companies	956,750	937,454
Non-current non-interest bearing liabilities		
Refundable connection fees	242,071	242,601
Liabilities to others	204	204
Current liabilities		
Current interest bearing liabilities		
To group companies		
Cash pool account	-	25,794
Current non-interest bearing liabilities		
To group companies	146,612	168,361
To others	65,778	75,516
Total liabilities	1,411,415	1,449,930
TOTAL EQUITY AND LIABILITIES	1,797,513	1,809,902

KEY FIGURES FOR NETWORK OPERATION

	2020	2019
Average number of personnel during the period	247	242
Investments (capitalisations) (EUR thousand):		
Net investments of electricity network		
Intangible assets	2,252	3,330
Tangible assets	132,514	155,945
Other intangible assets	4,395	4,108
Other tangible assets	8,971	10,948
Investments total	148,132	174,331
Return on investments %	12,9	13,1

The key figure is calculated in accordance with the decision nr 79/2005 9S issued by the Ministry of Trade and Industry. The decision guides calculation of key figures regarding differentiated operations within the electricity business.

Formula for calculation :

$$\frac{(\text{Profit before appropriations and taxes} + \text{interest income and other finance income}) \times 100}{(\text{Total assets} - \text{interest free liabilities} + \text{leases on electricity network}) \text{ (average on beginning and end of the reporting period)}}$$

The amount of interest included in the rents paid for electricity network is not available, therefore interest is not included in the interest expenses in the numerator.

Signatures to the financial statements and operating and financial review

Espoo, 10 March 2021

Matti Ruotsala
Chairman of the Board

James Adam
Member of the Board

Jouni Grönroos
Member of the Board

Matthew Liddle
Member of the Board

Fredrik Lundeborg
Member of the Board

Michael McNicholas
Member of the Board

Laura Tarkka
Member of the Board

Tomi Yli-Kyyny
Managing Director

Auditor's note

An auditor's report based on the audit performed has been issued today..

Espoo, ____ March 2021

Deloitte Oy
Audit Firm

Reeta Virolainen
APA

List of ledgers, types of vouchers and their archiving methods

	Method
Financial statements and operating and financial review	Bound book
Note vouchers	Electronically
Balance sheet specifications	Electronically
Accounting documents	
Income statement and balance sheet	Electronically
General ledger	Electronically
Journal	Electronically
Supporting ledgers	
Trade debtors ledger	Electronically
Trade creditors ledger	Electronically
Payroll accounting	Electronically
Fixed Assets	Electronically
Commitments	Electronically
Voucher types	
Bank vouchers	Electronically
Adjusting journal entries	Electronically
Trade debtors ledger	Electronically
Trade creditors ledger	Electronically
Payroll vouchers	Electronically
Fixed assets vouchers	Electronically
Vouchers for travel expenses	Electronically

Caruna Oy

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