Caverion
Building Performance

H1/2021
Half-year Financial Report 1-6/2021

Caverion Corporation Half-year Financial Report 5 August 2021 at 8.00 a.m. EEST

Caverion Corporation's Half-year Financial Report for 1 January – 30 June 2021

Significant profitability improvement in Q2

1 April – 30 June 2021

- **Revenue:** EUR 545.1 (518.5) million, up by 5.1 percent, 2.6 percent in local currencies. Organic growth was 3.3 percent. Services business revenue increased by 10.1 percent, 7.1 percent in local currencies.
- **Adjusted EBITDA:** EUR 33.2 (18.5) million, or 6.1 (3.6) percent of revenue.
- **Adjusted EBITA:** EUR 19.7 (4.8) million, or 3.6 (0.9) percent of revenue.
- **EBITA:** EUR 18.0 (8.4) million, or 3.3 (1.6) percent of revenue.
- **Operating cash flow before financial and tax items:** EUR -3.4 (48.2) million.
- **Earnings per share, undiluted:** EUR 0.06 (0.01) per share.

1 January – 30 June 2021

- **Order backlog:** EUR 1,789.0 (1,739.7) million, up by 2.8 percent. Services backlog increased by 10.7 percent.
- **Revenue:** EUR 1,060.4 (1,060.1) million, down by 1.8 percent in local currencies. Organic growth was -1.1 percent. Services business revenue increased by 3.9 percent, 1.8 percent in local currencies.
- **Adjusted EBITDA:** EUR 62.6 (44.7) million, or 5.9 (4.2) percent of revenue.
- **Adjusted EBITA:** EUR 36.1 (17.0) million, or 3.4 (1.6) percent of revenue, up by 113.0 percent.
- **EBITA:** EUR 33.1 (18.4) million, or 3.1 (1.7) percent of revenue.
- **Operating profit:** EUR 24.9 (11.5) million, or 2.3 (1.1) percent of revenue.
- **Operating cash flow before financial and tax items:** EUR 37.2 (104.3) million.
- **Earnings per share, undiluted:** EUR 0.11 (0.02) per share.
- **Net debt/EBITDA*:** 0.4x (0.1x).

Unless otherwise noted, the figures in brackets refer to the corresponding period in the previous year.

KEY FIGURES

EUR million	4-6/21	4-6/20	Change	1-6/21	1-6/20	Change	1-12/20
Order backlog	1,789.0	1,739.7	2.8%	1,789.0	1,739.7	2.8%	1,609.1
Revenue	545.1	518.5	5.1%	1,060.4	1,060.1	0.0%	2,154.9
Adjusted EBITDA	33.2	18.5	79.6%	62.6	44.7	39.9%	116.5
Adjusted EBITDA margin, %	6.1	3.6		5.9	4.2		5.4
EBITDA	31.5	22.1	42.1%	59.6	46.2	28.8%	99.4
EBITDA margin, %	5.8	4.3		5.6	4.4		4.6
Adjusted EBITA	19.7	4.8	308.6%	36.1	17.0	113.0%	60.6
Adjusted EBITA margin, %	3.6	0.9		3.4	1.6		2.8
EBITA	18.0	8.4	114.5%	33.1	18.4	80.2%	42.4
EBITA margin, %	3.3	1.6		3.1	1.7		2.0
Operating profit	13.9	5.0	179.1%	24.9	11.5	117.1%	27.2
Operating profit margin, %	2.5	1.0		2.3	1.1		1.3
Result for the period	8.8	2.1	326.8%	15.6	3.7	325.5%	8.6
Earnings per share, undiluted, EUR	0.06	0.01	521.3%	0.11	0.02	526.7%	0.05
Operating cash flow before financial and tax items	-3.4	48.2		37.2	104.3	-64.3%	157.6
Cash conversion (LTM), %				80.3	160.7		158.5
Working capital				-139.9	-161.3	13.3%	-160.4
Interest-bearing net debt				147.3	138.8	6.1%	118.6
Net debt/EBITDA*				0.4	0.1		-0.2
Gearing, %				79.9	72.5		60.4
Equity ratio, %				18.1	18.6		18.9
Personnel, end of period				14,958	15,902	-5.9%	15,163

* Based on calculation principles confirmed with the lending parties.

Mats Paulsson, Interim President and CEO:

"I am satisfied with our performance improvement continuing strongly in the second quarter of 2021. A new highlight of the quarter was that our revenue grew clearly, driven by the strong organic growth in the Services business. The effects of the corona pandemic gradually started to ease off during the quarter. Having said that, we remain somewhat cautious with the pandemic as unpredictable virus variants and new waves of the pandemic may continue to emerge. Our profitability improved significantly compared to the previous year, helped by the revenue growth and our efficiency and productivity improvements completed earlier. Like in the first quarter, the profitability improvement came from both the Services and Projects sides of the business.

Our order backlog increased by 2.8 percent to EUR 1,789.0 (1,739.7) million compared to a year earlier and by 10.0 percent compared to the end of the first quarter (EUR 1,626.7 million). Order backlog continued to increase particularly in Services, up by 10.7 per cent. Our second quarter revenue grew to EUR 545.1 (518.5) million, up by 5.1 percent or 2.6 percent in local currencies. Measured in local currencies, the Services business revenue increased by 7.1 percent and the Projects business revenue declined by 4.6 percent in the second quarter. The Group's organic growth was 3.3 percent in the second quarter. Organic growth in the Services business was as high as 8.0 percent. The business mix change seen in recent years continued; the Services business accounted for 65.1 (62.6) percent of Group revenue in the first half of 2021.

The performance improvement in the second quarter follows our plans. Our second quarter adjusted EBITA improved to EUR 19.7 (4.8) million, or 3.6 (0.9) percent of revenue. EBITA was EUR 18.0 (8.4) million, or 3.3 (1.6) percent of revenue. Both business units improved their profitability. I am particularly happy about the progress seen lately in divisions Industry, Germany, Norway and Sweden. In Services, the positive progress continued and the performance was on a strong level. We continued to see an increased interest towards those parts of our lifecycle offering that help customers make their operations more sustainable. In Projects, market demand still continued on a lower level, although there were clear signs of market stabilisation towards the end of the quarter. We have so far coped well with the increase in material prices, affecting particularly our Projects business. We continued to deploy best practices and to improve our business performance in Projects. The finalisation of the last remaining major risk project will most likely take until the end of the year.

Our operating cash flow before financial and tax items was EUR 37.2 (104.3) million in January-June 2021 and the cash conversion (LTM) was 80.3 (160.7) percent. A periodic change was according to our expectations. In the second quarter of 2020, operating cash flow was also positively impacted by postponed authority payments of EUR 29.6 million. Our liquidity position is strong and our leverage is at a low level. At the end of the second quarter, our interest-bearing net debt amounted to EUR 147.3 (138.8) million, or EUR 23.7 (9.9) million excluding lease liabilities. The net debt/EBITDA ratio was 0.4x (0.1x). Our cash and cash equivalents were EUR 113.7 (130.2) million. We completed bolt-on acquisitions in Sweden and Austria in July and continue to actively search for suitable acquisitions in the second half of 2021.

Looking forward into this year, we are well positioned to meet growing customer demand, supported by our new offerings. The economic environment is turning more positive and the sustainability trend is growing stronger around us. The improvement of energy efficiency of buildings will play a key role in the achievement of environmental targets such as EU's "Fit for 55" climate package. We saw clear improvements in our performance in the first half of the year and I am confident in our ability to continue improving going forward. Our mid-term financial targets launched in November 2019 remain valid."

OUTLOOK FOR 2021

Market outlook for Caverion's services and solutions

Caverion expects market demand to be overall positive in Services and to gradually improve also in Projects in the second half of 2021. This scenario assumes a successful outcome from the ongoing corona vaccination programmes and no significant unforeseen negative surprises in 2021. Increased material prices may still affect particularly the development of the Projects business.

The speed of the economic recovery is still somewhat uncertain. The business volume and the amount of new order intake are important determinants of Caverion's performance in 2021. A negative scenario whereby the corona pandemic continues longer than currently anticipated, due to for example the so-called delta variant, can still not be ruled out. Nevertheless, a large part of Caverion's services is vital in keeping also critical services and infrastructure up-and-running at all times.

The monetary and fiscal policies currently in place are clearly supporting an economic recovery in 2021. As an example, the economic stimulus packages provided by national governments and the EU are expected to increase infrastructure, health care and different types of sustainable investments in Caverion's operating area. The main themes in the EU stimulus packages are green growth and digitalisation. Caverion expects the national and EU programmes to increase demand also in Caverion's areas of operation as of the second half of 2021.

The digitalisation and sustainability megatrends are in many ways favourable to Caverion and believed to increase demand for Caverion's offerings going forward. The increase of technology in built environments, increased energy efficiency requirements, increasing digitalisation and automation as well as urbanisation remain strong and are expected to promote demand for Caverion's services and solutions over the coming years. Especially the sustainability trend is expected to continue strong. Increasing awareness of sustainability is supported by both EU-driven regulations and national legislation setting higher targets and actions for energy efficiency and carbon-neutrality. The objective of the European Commission's Renovation Wave Strategy is to at least double the annual energy renovation rate of residential and non-residential buildings by 2030. Mobilising forces at all levels towards these goals are expected to result in 35 million building units renovated by 2030. The increased rate and depth of renovation will have to be maintained also post-2030 in order to reach EU-wide climate neutrality by 2050. Caverion has been putting a large effort to develop its offering and solutions to meet this demand.

On 14 July 2021, the European Commission adopted a set of proposals in the "Fit for 55" climate package to make EU's climate, energy, transport and taxation policies fit for reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels. Increasing the energy efficiency of buildings, the electrification of the transport infrastructure through e-charging stations, a greater use of renewable energy technologies as well as the green transition of the industry towards clean technologies all present major opportunities for Caverion.

The Energy Performance of Buildings Directive (EPBD) passed by the EU requires all new buildings from 2021 to be nearly zero-energy buildings (NZEB). Furthermore, EU Member States shall lay down requirements to ensure that, where technically and economically feasible, non-residential buildings with an effective rated output for heating systems or systems for combined space heating and ventilation of over 290 kW are equipped with building automation and control systems by 2025. The building automation and control systems shall be capable of (a) continuously monitoring, logging, analysing and allowing for adjusting energy use; (b) benchmarking the building's energy efficiency, detecting losses in efficiency of technical building systems, and informing the person responsible for the facilities or technical building management about opportunities for energy efficiency improvement; and (c) allowing communication with connected technical building systems and other appliances inside the building.

The nearly zero or very low amount of energy required should be covered to a very significant extent from renewable sources. As concrete numeric thresholds or ranges are not defined in the EPBD, these requirements leave room for interpretation and thus allow EU Member States to define their nearly zero-energy buildings in a flexible way, taking into account their country-specific climate conditions, primary energy factors, ambition levels, calculation methodologies and building traditions. Several Caverion countries have already passed the national legislation based on the EPBD framework.

Services

Caverion expects market demand to be overall positive in the second half of 2021. Caverion's Services business is overall by nature more stable and resilient through business cycles than the Projects business. Stimulus packages are also expected to positively impact general demand in the Services business.

There is an increased interest for services supporting sustainability, such as energy management. Caverion has had a special focus for several years both in so-called Smart Technologies within building technologies as well as in digital solutions development, both of which are believed to grow faster than more basic services on average and enable data-driven operations with recurring maintenance. In Cooling, as an example, there is a technical change ongoing from environmentally harmful F-gases into CO2-based refrigeration, providing increased need for upgrades and modernisations. The sustainability trend is also increasing the demand for building automation upgrades.

As technology in buildings increases, the need for new services and digital solutions is expected to increase. Customer focus on core operations also continues to open up opportunities for Caverion through outsourcing of industrial operation and maintenance, property maintenance as well as facility management.

Projects

According to Euroconstruct reports published in June 2021, the recovery of the European construction industry is more rapid than initially expected. According to the latest estimates by Euroconstruct, the total construction volume in Western Europe is expected to grow by 4.1 percent in 2021, following a drop of 5.2 percent in 2020. Non-residential construction, which was most strongly hit by the crisis, still shows a weaker recovery path in 2021 compared to residential construction according to Euroconstruct. Due to the late-cyclical nature of the Projects business, even after the economic environment recovers, it typically takes some time before the Projects business turns back to growth. However, the stimulus packages are expected to positively impact the general demand also in the Projects business. Caverion expects market demand to gradually improve also in Projects in the second half of 2021.

From the trends perspective, the digitalisation and sustainability megatrends are supporting demand also in Projects, as Caverion's target is to offer long-term solutions binding both Projects and Services together. The requirements for increased energy efficiency, better indoor climate and tightening environmental legislation continue to drive demand over the coming years.

Guidance for 2021

In 2021, Caverion Group's adjusted EBITA (2020: EUR 60.6 million) will grow compared to 2020.

ONLINE NEWS CONFERENCE AND CONFERENCE CALL

Caverion will hold an online news conference on its Half-year Financial Report on Thursday, 5 August 2021, at 10.00 a.m. Finnish time (EEST). The online news conference can be viewed live on Caverion's website at www.caverion.com/investors. It is also possible to participate in the event through a conference call by calling the assigned number +44 (0)330 336 9105 at 9:55 a.m. (Finnish time, EEST) at the latest. The participant code for the conference call is "3813833 / Caverion". More practical information on the online news conference can be found on Caverion's website, www.caverion.com/investors.

Financial information to be published in 2021

Q3 Interim Report will be published on 4 November 2021 and Financial Statement Release for 2021 on 10 February 2022 at 8:00 a.m. (EET). Financial reports and other investor information are available on Caverion's website www.caverion.com/investors. The materials may also be ordered by sending an e-mail to IR@caverion.com.

CAVERION CORPORATION

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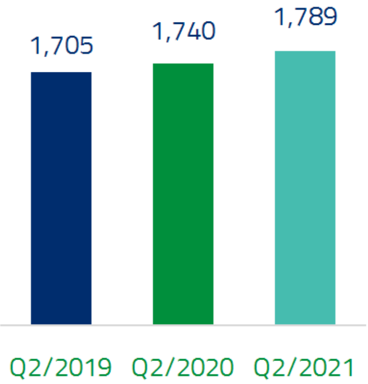
GROUP FINANCIAL DEVELOPMENT

Key figures

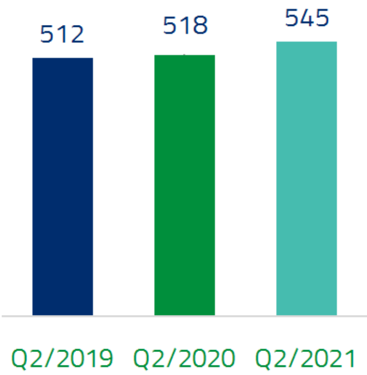
Order backlog

(EUR million)



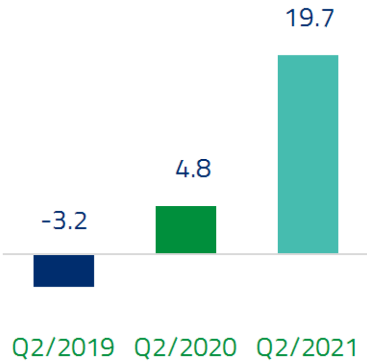
Revenue

(EUR million)



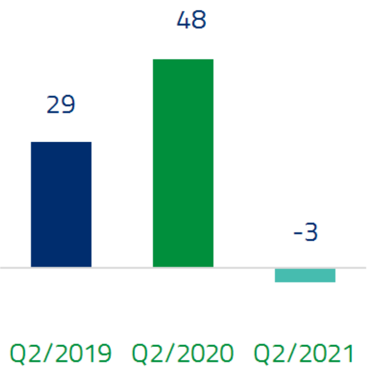
Adjusted EBITA

(EUR million)



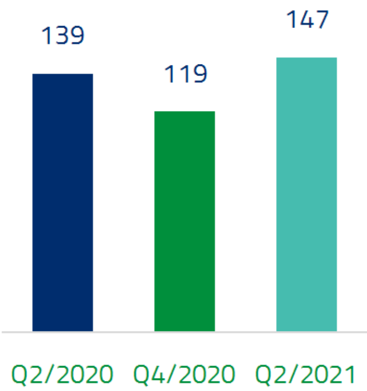
Operating cash flow before financial and tax items

(EUR million)



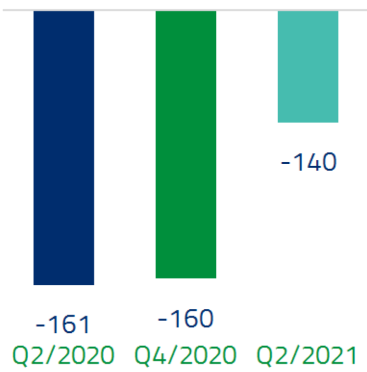
Net debt

(EUR million)



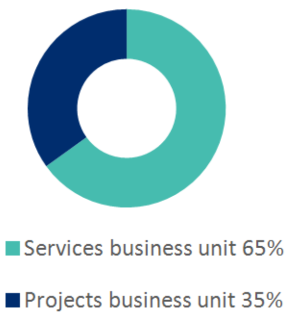
Working capital

(EUR million)



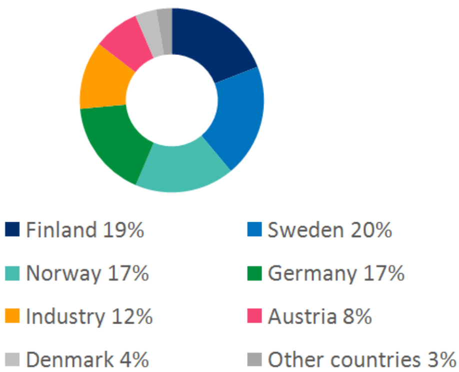
Revenue by business unit

% of revenue 1-6/2021



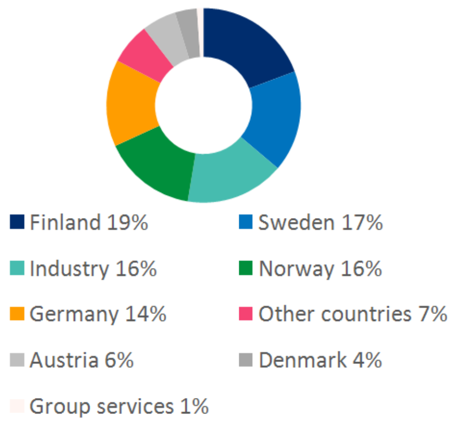
Revenue by division

% of revenue 1-6/2021



Personnel by division

at the end of June 2021



Operating environment in the second quarter and during the first half of 2021

During the second quarter, the effects of the corona pandemic gradually started to ease off and the operating environment generally improved. The ongoing corona vaccination programmes provided a helping hand seen in the lower number of severe COVID-19 cases. Many governments have also started to lift the various restrictions related to the corona virus and have formulated their plans to support the economic recovery. Despite the positive developments, Caverion remains somewhat cautious with the pandemic as unpredictable virus variants and new waves of the pandemic may continue to emerge.

During the first half of the year, the building technology market was impacted by increases in material prices, affecting particularly Caverion's Projects business. Caverion has proactively taken various measures to optimise the supply chain and to manage pricing.

Services

In Services, Caverion experienced increased investment activity among several customer segments as of the second quarter. As an example, certain annual industrial shutdowns in Finland postponed from last year took place in the second quarter of 2021.

There was a general increasing interest for services supporting sustainability, such as energy management and advisory services, driven by regulation and the expected governmental and EU stimulus packages supporting investments in green growth.

Projects

In Projects, market demand still continued on a lower level, although there were clear signs of market stabilisation towards the end of the second quarter. During the first half of the year, the market was impacted by increases in material prices.

Stimulus packages did not yet have a clear impact on general demand in the first half of 2021.

Order backlog

Order backlog at the end of June increased by 2.8 percent to EUR 1,789.0 million from the end of June in the previous year (EUR 1,739.7 million). At comparable exchange rates the order backlog increased by 1.7 percent. Order backlog increased by 10.0 percent from the end of the previous quarter (EUR 1,626.7 million).

Order backlog increased by 10.7 percent in Services compared to the previous year, while it decreased by 6.1 percent in Projects.

Revenue

April–June

EUR million	4-6/ 2021	4-6/ 2020	Change	Change in local currencies	Organic growth *	Currency impact	Acquisitions and divestments impact
Services	353.4	321.1	10.1%	7.1%	8.0%	2.9%	-0.8%
Projects	191.7	197.4	-2.9%	-4.6%	-4.2%	1.8%	-0.5%
Group total	545.1	518.5	5.1%	2.6%	3.3%	2.5%	-0.7%

** Revenue change in local currencies, excluding acquisitions and divestments*

Revenue for April–June was EUR 545.1 (518.5) million. Revenue increased by 5.1 percent compared to the previous year. At the previous year's exchange rates, revenue was EUR 532.2 million and increased by 2.6 percent compared to the previous year. Organic growth was 3.3 percent.

Revenue was impacted by fluctuations in currency exchange rates. Changes in Swedish krona and

Norwegian krone had a positive effect of EUR 5.3 million and EUR 7.9 million and changes in Russian rouble a negative effect of EUR 0.4 million, respectively.

Revenue increased in all divisions apart from Finland and Denmark.

The revenue of the Services business unit increased and was EUR 353.4 (321.1) million in April–June, an increase of 10.1 percent, or 7.1 percent in local currencies. The revenue of the Projects business unit was EUR 191.7 (197.4) million in April–June, a decrease of 2.9 percent, or 4.6 percent in local currencies. Project business revenue was affected by the continuous selectivity approach.

The Services business unit accounted for 64.8 (61.9) percent of Group revenue, and the Projects business unit for 35.2 (38.1) percent of Group revenue in April–June.

January–June

EUR million	1-6/ 2021	1-6/ 2020	Change	Change in local currencies	Organic growth *	Currency impact	Acquisitions and divestments impact
Services	690.2	664.0	3.9%	1.8%	2.7%	2.0%	-0.8%
Projects	370.2	396.1	-6.5%	-7.9%	-7.5%	1.4%	-0.5%
Group total	1,060.4	1,060.1	0.0%	-1.8%	-1.1%	1.8%	-0.7%

** Revenue change in local currencies, excluding acquisitions and divestments*

Revenue for January–June was EUR 1,060.4 (1,060.1) million. Revenue was in line with the previous year. At the previous year's exchange rates, revenue was EUR 1,041.2 million and decreased by 1.8 percent compared to the previous year. Organic growth was -1.1 percent.

Revenue was impacted by fluctuations in currency exchange rates. Changes in Swedish krona and Norwegian krone had a positive effect of EUR 10.5 million and EUR 9.7 million and changes in Russian rouble a negative effect of EUR 1.0 million, respectively.

Revenue increased in Norway and Germany, while it decreased in other divisions.

The revenue of the Services business unit increased and was EUR 690.2 (664.0) million in January–June, an increase of 3.9 percent, or 1.8 percent in local currencies. The revenue of the Projects business unit was EUR 370.2 (396.1) million in January–June, a decrease of 6.5 percent, or 7.9 percent in local currencies. Project business revenue was affected by the continuous selectivity approach.

The Services business unit accounted for 65.1 (62.6) percent of Group revenue, and the Projects business unit for 34.9 (37.4) percent of Group revenue in January–June.

Distribution of revenue by Division and Business Unit

Revenue, EUR million	4–6/ 2021	%	4–6/ 2020	%	Change	1–6/ 2021	%	1–6/ 2020	%	Change	1–12/ 2020	%
Sweden	109.4	20.1	104.3	20.1	4.9%	210.7	19.9	215.3	20.3	-2.1%	420.6	19.5
Finland	99.4	18.2	103.8	20.0	-4.2%	202.1	19.1	203.1	19.2	-0.5%	416.0	19.3
Norway	91.6	16.8	70.9	13.7	29.3%	185.4	17.5	156.8	14.8	18.2%	318.9	14.8
Germany	93.0	17.1	91.4	17.6	1.7%	181.3	17.1	180.3	17.0	0.6%	368.8	17.1
Austria	47.1	8.6	42.6	8.2	10.5%	85.6	8.1	90.6	8.5	-5.5%	191.4	8.9
Industry	70.8	13.0	66.5	12.8	6.5%	126.6	11.9	134.7	12.7	-6.0%	275.9	12.8
Denmark	19.0	3.5	20.7	4.0	-8.3%	39.6	3.7	46.1	4.3	-14.0%	93.6	4.3
Other countries*	14.7	2.7	18.2	3.5	-19.1%	29.0	2.7	33.1	3.1	-12.6%	69.7	3.2
Group, total	545.1	100	518.5	100	5.1%	1,060.4	100	1,060.1	100	0.0%	2,154.9	100
Services	353.4	64.8	321.1	61.9	10.1%	690.2	65.1	664.0	62.6	3.9%	1,364.9	63.3
Projects	191.7	35.2	197.4	38.1	-2.9%	370.2	34.9	396.1	37.4	-6.5%	790.0	36.7

** Other countries include the Baltic countries and Russia.*

Profitability

EBITA and operating profit

April–June

Adjusted EBITA for April–June amounted to EUR 19.7 (4.8) million, or 3.6 (0.9) percent of revenue and EBITA to EUR 18.0 (8.4) million, or 3.3 (1.6) percent of revenue.

The profitability improved significantly during the period. The restructurings completed in the fourth quarter of last year had a positive impact on the cost base. Both business units improved their profitability. Especially divisions Industry, Germany, Norway and Sweden progressed well. In Services, the positive progress continued and the performance was on a strong level. In Projects, market demand still continued on a lower level, although there were clear signs of market stabilisation towards the end of the quarter. Caverion has so far coped well with the increase in material prices, affecting particularly the Projects business.

In the adjusted EBITA calculation, the capital gains from divestments and the transaction costs related to divestments and acquisitions totalled EUR 0.2 million in April–June. The write-downs, expenses and/or income from separately identified major risk projects amounted to EUR 1.0 million. The Group's restructuring costs amounted to EUR 0.3 million. Other items totalled EUR 0.1 million.

The operating profit (EBIT) for April–June was EUR 13.9 (5.0) million, or 2.5 (1.0) percent of revenue.

Costs related to materials and supplies decreased to EUR 127.6 (131.0) million and external services increased to EUR 100.6 (96.5) million in April–June. Personnel expenses amounted to a total of EUR 236.1 (224.9) million for April–June. Other operating expenses decreased to EUR 49.8 (52.5) million, due to savings in several categories. Other operating income decreased to EUR 0.5 (8.5) million.

Depreciation, amortisation and impairment amounted to EUR 17.6 (17.2) million in April–June. Of these EUR 13.4 (13.7) million were depreciations on tangible assets and EUR 4.2 (3.4) million amortisations on intangible assets. Of the depreciations, the majority related to right-of-use assets in accordance with IFRS 16 amounting to EUR 12.0 (12.1) million. The amortisations related to allocated intangibles on acquisitions and IT.

January–June

Adjusted EBITA for January–June amounted to EUR 36.1 (17.0) million, or 3.4 (1.6) percent of revenue and EBITA to EUR 33.1 (18.4) million, or 3.1 (1.7) percent of revenue.

The profitability improved significantly during the period. The restructurings completed in the fourth quarter of last year had a positive impact on the cost base. Both business units improved their profitability. Especially divisions Industry, Germany, Norway and Sweden progressed well. In Services, the positive progress continued and the performance was on a strong level. In Projects, market demand still continued on a lower level, although there were clear signs of market stabilisation towards the end of the quarter. Caverion has so far coped well with the increase in material prices, affecting particularly the Projects business.

In the adjusted EBITA calculation, the capital gains from divestments and the transaction costs related to divestments and acquisitions totalled EUR 0.3 million in January–June. The write-downs, expenses and/or income from separately identified major risk projects amounted to EUR 1.0 million. The Group's restructuring costs amounted to EUR 1.5 million, the majority of which related to the parent company. Other items totalled EUR 0.2 million.

The operating profit (EBIT) for January–June was EUR 24.9 (11.5) million, or 2.3 (1.1) percent of revenue.

Costs related to materials and supplies decreased to EUR 245.6 (259.3) million and external services decreased to EUR 190.6 (191.0) million in January–June. Personnel expenses amounted to a total of EUR 469.4 (465.5) million for January–June. Other operating expenses decreased to EUR 96.0 (107.1) million, due to savings in several categories. Other operating income decreased to EUR 0.9 (9.0) million.

Depreciation, amortisation and impairment amounted to EUR 34.7 (34.8) million in January–June. Of these EUR 26.5 (27.9) million were depreciations on tangible assets and EUR 8.2 (6.9) million amortisations on intangible assets. Of the depreciations, the majority related to right-of-use assets in accordance with IFRS 16 amounting to EUR 23.6 (24.5) million. The amortisations related to allocated intangibles on acquisitions and IT.

EBITA is defined as Operating profit + amortisation and impairment on intangible assets. Adjusted EBITA = EBITA before items affecting comparability (IAC). Items affecting comparability (IAC) in 2021 are material items or transactions, which are relevant for understanding the financial performance of Caverion when comparing the profit of the current period with that of the previous periods. These items can include (1) capital gains and/or losses and transaction costs related to divestments and acquisitions; (2) write-downs, expenses and/or income from separately identified major risk projects; (3) restructuring expenses and (4) other items that according to Caverion management's assessment are not related to normal business operations. In 2020 and 2021, major risk projects only include one risk project in Germany reported under category (2). In 2020 and 2021, legal and other costs related to the German anti-trust fine and in 2020 also costs related to a subsidiary in Russia sold during the second quarter have been reported under category (4).

Adjusted EBITA and items affecting comparability (IAC)

EUR million	4-6/ 2021	4-6/ 2020	1-6/ 2021	1-6/ 2020	1–12/ 2020
EBITA	18.0	8.4	33.1	18.4	42.4
EBITA margin, %	3.3	1.6	3.1	1.7	2.0
Items affecting comparability (IAC)					
- Capital gains and/or losses and transaction costs related to divestments and acquisitions	0.2	-7.2	0.3	-6.9	-6.0
- Write-downs, expenses and income from major risk projects*	1.0	3.0	1.0	3.1	12.8
- Restructuring costs	0.3	0.8	1.5	2.0	10.7
- Other items**	0.1	-0.2	0.2	0.3	0.6
Adjusted EBITA	19.7	4.8	36.1	17.0	60.6
Adjusted EBITA margin, %	3.6	0.9	3.4	1.6	2.8

** Major risk projects include only one risk project in Germany in 2020 and 2021.*
*** In 2020 and 2021, including legal and other costs related to the German anti-trust fine. In 2020, also including costs related to a subsidiary in Russia sold during the second quarter.*

Adjusted EBITDA is affected by the same adjustments as adjusted EBITA, except for restructuring costs, which do not include depreciation and impairment relating to restructurings.

Result before taxes, result for the period and earnings per share

Result before taxes amounted to EUR 20.7 (5.0) million, result for the period to EUR 15.6 (3.7) million, and earnings per share to EUR 0.11 (0.02) in January–June. Net financing expenses in January–June were EUR 4.2 (6.5) million. This includes an interest cost on lease liabilities amounting to EUR 1.9 (2.3) million. In January–June 2020, net financing expenses included an exchange rate loss from an internal loan denominated in euros in Russia amounting to EUR 1.0 million.

The Group's effective tax rate was 24.6 (26.0) percent in January–June 2021.

Capital expenditure, acquisitions and disposals

Gross capital expenditure on non-current assets totalled EUR 7.1 (12.2) million in January–June, representing 0.7 (1.2) percent of revenue. Investments in information technology totalled EUR 4.1 (5.5) million. IT investments continued to be focused on building a harmonised IT infrastructure and common platforms as well as datacenter consolidation. IT systems and mobile tools were also developed to improve the Group's internal processes and efficiency going forward. Other investments, including acquisitions, amounted to EUR 3.0 (6.8) million.

Caverion signed an agreement to acquire the business of Electro Berchtold GmbH in Austria in December 2020. Electro Berchtold is a provider of maintenance services for ski lift and snow systems and has 13 employees. The transaction was closed in the beginning of 2021. The transaction price was not material for Caverion Group.

Cash flow, working capital and financing

The Group's operating cash flow before financial and tax items decreased to EUR 37.2 (104.3) million in January–June and cash conversion (LTM) was 80.3 (160.7) percent. The Group's free cash flow amounted to EUR 21.5 (91.0) million. Cash flow after investments was EUR 16.2 (85.7) million.

In April–June, the Group's operating cash flow before financial and tax items decreased to EUR -3.4 (48.2) million. The operating cash flow was negatively affected particularly by an increase in trade and POC receivables by EUR 35.5 million from EUR 482.9 million to EUR 518.4 million from the end of March 2021. A periodic change was according to the expectations of Caverion. In the second quarter of 2020, operating cash flow was also positively impacted by postponed authority payments of EUR 29.6 million. The Group's free cash flow amounted to EUR -7.3 (45.0) million. Cash flow after investments was EUR -8.3 (43.1) million.

The Group's working capital was EUR -139.9 (-161.3) million at the end of June. There were improvements in all divisions except for Industry, Germany and Finland compared to the previous year. The amount of trade and POC receivables increased to EUR 518.4 (488.4) million and other current receivables increased to EUR 26.9 (24.0) million. On the liabilities side, advances received increased to EUR 237.9 (236.5) million and other current liabilities increased to EUR 278.1 (267.0) million, while trade and POC payables decreased to EUR 185.9 (189.3) million.

Caverion's liquidity position was strong and Caverion had a high amount of undrawn credit facilities on 30 June 2021. Caverion's cash and cash equivalents amounted to EUR 113.7 (130.2) million at the end of June. In addition, Caverion had undrawn revolving credit facilities amounting to EUR 100.0 million and undrawn overdraft facilities amounting to EUR 19.0 million.

The Group's gross interest-bearing loans and borrowings excluding lease liabilities amounted to EUR 137.3 (140.1) million at the end of June, and the average interest rate was 2.6 (2.7) percent. Approximately 45 percent of the loans have been raised from banks and other financial institutions and approximately 55 percent from capital markets. Lease liabilities amounted to EUR 123.6 (128.9) million at the end of June 2021, resulting to total gross interest-bearing liabilities of EUR 260.9 (269.0) million.

The Group's interest-bearing net debt excluding lease liabilities amounted to EUR 23.7 (9.9) million at the end of June and including lease liabilities to EUR 147.3 (138.8) million. At the end of June, the Group's gearing was 79.9 (72.5) percent and the equity ratio 18.1 (18.6) percent. Excluding the effect of IFRS 16, the equity ratio would have amounted to 20.5 (21.2) percent.

On 15 May 2020 Caverion issued a EUR 35 million hybrid bond, an instrument subordinated to the company's other debt obligations and treated as equity in the IFRS financial statements. The hybrid bond does not confer to its holders the rights of a shareholder and does not dilute the holdings of the current shareholders. The coupon of the hybrid bond is 6.75 per cent per annum until 15 May 2023. The hybrid bond does not have a maturity date but the issuer is entitled to redeem the hybrid for the first time on 15 May 2023, and subsequently, on each coupon interest payment date. If the hybrid bond is not redeemed on 15 May 2023, the coupon will be changed to 3-month EURIBOR added with a Re-offer Spread (706.8 bps) and a step-up of 500bps.

Caverion's external loans are subject to a financial covenant based on the ratio of the Group's net debt to EBITDA. The financial covenant shall not exceed 3.5:1. At the end of June, the Group's Net debt to EBITDA was 0.4x according to the confirmed calculation principles. The confirmed calculation principles exclude the effects of the IFRS 16 standard and contain certain other adjustments.

Recent changes in financial reporting affecting comparability

Caverion signed an agreement to sell certain Finnish operations of Caverion Industria Ltd to Elcoline Oy in June 2020 based on the conditions imposed on the Maintpartner transaction by the Finnish Competition and Consumer Authority (the "FCCA"). The business transfer became effective on 30 September 2020. According to a stock exchange release published by Caverion on 22 November 2019, the FCCA approval on the Maintpartner transaction included certain conditions based on which Caverion was to divest approximately 6.5 percent of the post-transaction revenue (approximately EUR 300 million in 2018) of the Industry division in Finland. The Finnish Competition and Consumer Authority (the "FCCA") confirmed on 25 February 2021 that Caverion's divestment on 30 September 2020 did fulfil the conditions on the divestment size in Caverion's Maintpartner transaction.

PERSONNEL

Personnel by division, end of period	6/2021	3/2021	Change	6/2021	6/2020	Change	12/2020
Sweden	2,523	2,551	-1%	2,523	2,786	-9%	2,601
Finland	2,890	2,827	2%	2,890	2,948	-2%	2,876
Norway	2,324	2,322	0%	2,324	2,354	-1%	2,366
Germany	2,164	2,190	-1%	2,164	2,256	-4%	2,260
Industry	2,458	2,386	3%	2,458	2,753	-11%	2,464
Other countries	1,032	1,058	-2%	1,032	1,197	-14%	1,050
Austria	855	849	1%	855	847	1%	852
Denmark	548	545	1%	548	637	-14%	565
Group Services	164	164	0%	164	124	32%	129
Group, total	14,958	14,892	0%	14,958	15,902	-6%	15,163

Caverion Group employed 14,958 (16,021) people on average in January–June 2021. At the end of June, the Group employed 14,958 (15,902) people. Personnel expenses for January–June amounted to EUR 469.4 (465.5) million.

Employee safety continued to be a high focus area also in the first half of 2021. Due to the corona situation, many extra actions have been taken to protect the employees, to organise the work in a way that it is safe to complete and to establish different supportive trainings, tools and communication methods. The Group's accident frequency rate at the end of June was 4.2 (4.1).

Changes in Caverion's Group Management Board and organisation structure

Manfred Simmet (born 1966, Engineer) was appointed as a transitional Head of Caverion's Division Germany as of 19 January 2021. He will also continue in his current position as the Head of Caverion's Division Austria and a member of the Group Management Board of Caverion Corporation. Frank Krause, the previous Head of Caverion's Division Germany, led the division for two years and the German Services business for three years prior to that.

The Board of Directors of Caverion Corporation and President and CEO, Ari Lehtoranta, mutually agreed on 28 February 2021 that Ari Lehtoranta leaves his position as President and CEO of Caverion Corporation. The Board of Directors of Caverion Corporation appointed the Chairman of the Board of Directors, Mats Paulsson, as interim President and CEO effective as from 28 February 2021. Mats Paulsson continues in his position as the Chairman of the Board of Directors.

Ari Lehtoranta held the position of President and CEO of Caverion Corporation since January 2017 and he will be available for the Board of Directors until the end of August 2021 to secure an orderly transition to his successor.

Uno Lundberg (born 1962, BSc (Econ. & Bus. Adm.)) has been appointed Head of Caverion's Division Sweden starting on 1 August 2021. He joins Caverion from the emergency and rescue services company Falck where his position has been CEO for Falck Emergency in Scandinavia. Juha Mennander, who has been Caverion's Division Head for Sweden since June 2018 and Head of Group Market Operations prior to this, will take on new challenges at Caverion after supporting Uno in the onboarding phase to ensure a smooth transition.

The Board of Directors of Caverion appointed Jacob Götzsche as the President and CEO of Caverion Corporation in May 2021. He will start in this position on 9 August 2021. Jacob Götzsche joins Caverion after a long career in ISS, a global provider of facility services. Most recently he held the position of CEO of Europe. In this position he was also a Member of the Executive Group Management in the ISS Group, reporting to the Group CEO. During his career at ISS, Götzsche has also held various regional leadership, M&A and finance roles.

SIGNIFICANT SHORT-TERM RISKS AND UNCERTAINTIES

There have been no material changes in Caverion's significant short-term risks and uncertainties compared to those reported in the Board of Director's Report presented in the Annual Review of 2020. Those risks and uncertainties are still valid. After this, the lack of availability of materials and the increase in material prices have been identified as new short-term risks.

The impacts of the corona pandemic and the actions taken by the company are summarised separately after this section and described earlier in the report in the "Market outlook for Caverion's services and solutions" and "Operating environment in the second quarter and during the first half of 2021".

The comprehensive description of Caverions' key risks is available on the Company's website www.caverion.com/investors.

IMPACT OF CORONA PANDEMIC ON CAVERION

During the second quarter, the effects of the corona pandemic gradually started to ease off and the operating environment generally improved. The ongoing corona vaccination programmes provided a helping hand seen in the lower number of severe COVID-19 cases. Many governments have also started to lift the various restrictions related to the corona virus and have formulated their plans to support the economic recovery. Despite the positive developments, Caverion remains somewhat cautious with the pandemic as unpredictable virus variants and new waves of the pandemic may continue to emerge.

Caverion's business is exposed to various risks associated with the corona pandemic and the economic downturn. These include, for example, suspension or cancellation of existing contracts by customers, lack of demand for new services, absenteeism of employees and subcontractor staff, closures of work sites and other work premises by customers or authorities and defaults in customer payments.

The speed of the economic recovery is still somewhat uncertain. The business volume and the amount of new order intake are important determinants of Caverion's performance in 2021. A negative scenario whereby the corona pandemic continues longer than currently anticipated, due to for example the so-called delta variant, can still not be ruled out. Nevertheless, a large part of Caverion's services is vital in keeping also critical services and infrastructure up-and-running at all times.

Caverion expects market demand to be overall positive in Services and to gradually improve also in Projects in the second half of 2021. This scenario assumes a successful outcome from the ongoing corona vaccination programmes and no material unforeseen negative surprises in 2021. Increased material prices may still affect particularly the development of the Projects business.

RESOLUTIONS PASSED AT THE ANNUAL GENERAL MEETING

Caverion Corporation's Annual General Meeting, which was held on 24 March 2021 in Helsinki under the so-called Temporary Act without the shareholders' or their proxy representatives' presence at the meeting venue, adopted the Financial Statements and the consolidated Financial Statements for the year 2020 and discharged the members of the Board of Directors and the President and CEO from liability. In addition, the Annual General Meeting resolved on the use of the profit shown on the balance sheet and the payment of dividends, the approval of the presented Remuneration Report for Governing Bodies, on the composition of members of the Board of Directors and their remuneration, the election of the auditor and its remuneration as well as authorised the Board of Directors to decide on the repurchase of the Company's own shares and/or acceptance as pledge of own shares as well as share issues.

The Annual General Meeting elected a Chairman, a Vice Chairman and five (5) ordinary members to the Board of Directors. Mats Paulsson was elected as the Chairman of the Board of Directors, Markus Ehrnrooth as the Vice Chairman and Jussi Aho, Joachim

Hallengren, Thomas Hinnerskov, Kristina Jahn and Jasmin Soravia as members of the Board of Directors for a term of office expiring at the end of the Annual General Meeting 2022. The stock exchange release on the resolutions passed at the Annual General Meeting is available on Caverion's website at http://www.caverion.com/newsroom.

The Board of Directors held its organisational meeting on 24 March 2021. At the meeting the Board decided on the composition of the Human Resources Committee and the Audit Committee. A description of the committees' tasks and charters are available on Caverion's website at www.caverion.com/investors - Corporate Governance.

DIVIDENDS AND DIVIDEND POLICY

The Annual General Meeting, held on 24 March 2021, approved the proposal of the Board of Directors according to which a dividend of EUR 0.10 per share and an additional dividend of EUR 0.10 per share, in total EUR 0.20 per share, was paid from the distributable funds of the Company for the financial year 2020. The dividend will be paid to shareholders who on the record date of the dividend payment 26 March 2021 were recorded in the shareholders' register held by Euroclear Finland Oy. The dividend was paid on 7 April 2021.

Caverion's dividend policy is to distribute as dividends at least 50 percent of the result for the year after taxes, however, taking profitability and leverage level into account. Even though there are no plans to amend this dividend policy, there is no guarantee that a dividend or capital redemption will actually be paid in the future, and also there is no guarantee of the amount of the dividend or return of capital to be paid for any given year.

SHARES AND SHAREHOLDERS

The Caverion Corporation is a public limited company organised under the laws of the Republic of Finland, incorporated on 30 June 2013. The company has a single series of shares, and each share entitles its holder to one vote at the General Meeting of the company and to an equal dividend. The company's shares have no nominal value.

Share capital and number of shares

The number of shares was 138,920,092 and the share capital was EUR 1,000,000 on 1 January 2021. Caverion held 2,807,991 treasury shares on 1 January 2021. At the end of the reporting period, the total number of shares in Caverion was 138,920,092. Caverion held 2,624,140 treasury shares on 30 June 2021, representing 1.89 percent of the total number of shares and voting rights. The number of shares outstanding was 136,295,952 at the end of June 2021.

The Board of Directors of Caverion Corporation decided on a directed share issue without consideration for the payment of the reward instalments from Caverion's Matching Share Plan 2018–2022, as described in stock exchange release published on 30 April 2021. In the directed share issue without consideration, 120,199 Caverion Corporation shares held by the company were on 30 April 2021 conveyed to key employees included in the Matching Share Plan 2018—2022. The shares were delivered as a reward from the matching period 1 March 2018—28 February 2020 and, for participants who joined the plan at a later stage, also as a reward from the matching period 2018—2019. No new shares were issued in connection with the plan and therefore the plan had no diluting effect. The conveyance of shares through the directed share issue without consideration was based on the authorisation granted to the Board of Directors by the Annual General Meeting of Shareholders held on 25 May 2020. Prior to the directed share issue, Caverion held a total of 2,744,339 treasury shares, of which 2,624,140 treasury shares remained with the company after the conveyance.

The Board of Directors of Caverion Corporation also decided on a directed share issue without payment for Caverion's Performance Share Plan 2018 – 2020 and Restricted Share Plan 2018–2020 reward payments, as described in stock exchange release published on 23 February 2021. In the directed share issue without payment, 63,652 Caverion Corporation shares held by the company were on 23 February 2021 conveyed to 82 key employees according to the terms and conditions of the plans. No new shares were issued in connection with the plan and therefore the plan had no diluting effect. The decision on the directed share issue without payment was based on the authorisation granted to the Board of Directors by the Annual General Meeting of Shareholders held on 25 May 2020. Prior to the directed share issue, Caverion held a total of 2,807,991 treasury shares, of which 2,744,339 treasury shares remained with the company after the conveyance.

Caverion's Board of Directors approved in December 2020 the commencement of a new plan period 2021-2023 in the share-based long-term incentive scheme. The scheme is based on rolling a performance share plan (PSP) structure targeted to Caverion's management and selected key employees. The Board approved at the same time the commencement of a new plan period 2021-2023 in the Restricted Share Plan (RSP) structure, which is a complementary share-based incentive structure for specific situations. More information on the plans have been published in a stock exchange release on 9 December 2020. Any potential share rewards based on PSP 2021-2023 and RSP 2021-2023 will be delivered in the spring 2024.

Caverion's long-term share-based incentive schemes for the Group's senior management and key employees were approved by the Board of Directors in December 2015 and in December 2018. The targets set for the Performance Share Plan 2016–2018 and 2017–2019 were not achieved, and no rewards thereof were paid. The targets set for the Performance Share Plan 2018–2020 were partially achieved and the respective share rewards were delivered in February 2021. If all targets will be achieved, the share rewards subject to Board approval based on PSP 2019–2021 will comprise a maximum of approximately 1.3 million Caverion shares (gross before the deduction of applicable taxes), as well as 1.6 million Caverion shares for both PSP 2020-2022 and PSP 2021-2023.

The Board of Directors of Caverion decided on 30 April 2020, upon management's suggestion, to postpone the commencement of PSP 2020-2022 incentive plan, latest until the beginning of the year 2021. More information on the said plan has been published in a stock exchange release on 18 December 2019.

The Restricted Share Plan (RSP) is based on a rolling plan structure originally announced on 18 December 2015. The commencement of each new plan within the structure is conditional on a separate Board approval. Share allocations within the Restricted Share Plan will be made for individually selected key employees in specific situations. Each RSP plan consists of a three-year vesting period after which the allocated share rewards will be delivered to the participants provided that their employment with Caverion continues at the time of the delivery of the share reward. The potential share rewards based on the Restricted Share Plans for 2019–2021, 2020-2022 as well as 2021-2023 total a maximum of approximately 530,000 shares (gross before the deduction of applicable payroll tax). Of these plans, a maximum of 135,000 shares will be delivered in the spring of 2022, a maximum of 230,000 shares in the spring of 2023 and a maximum of 165,000 shares in the spring of 2024.

More information on the incentive plans has been published in stock exchange releases on 18 December 2015, 21 December 2016, 21 December 2017, 18 December 2018, 18 December 2019 and 9 December 2020.

Caverion has not made any decision regarding the issue of option rights or other special rights entitling to shares.

Authorisations of the Board of Directors

Authorising Caverion's Board of Directors to decide on the repurchase and/or on the acceptance as pledge of own shares of the company

The Annual General Meeting of Caverion Corporation, held on 24 March 2021, authorised the Board of Directors to decide on the repurchase and/or on the acceptance as pledge of the Company's own shares in accordance with the proposal by the Board of Directors. The number of own shares to be repurchased and/or accepted as pledge shall not exceed 13,500,000 shares, which corresponds to approximately 9.7% of all the shares in the Company. The Company may use only unrestricted equity to repurchase own shares on the basis of the authorisation. Purchase of own shares may be made at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market. The Board of Directors resolves the manner in which own shares be repurchased and/or accepted as pledge. Repurchase of own shares may be made using, inter alia, derivatives. Repurchase and/or acceptance as pledge of own shares may be made otherwise than in proportion to the share ownership of the shareholders (directed repurchase or acceptance as pledge).

The authorisation cancels the authorisation given by the General Meeting on 25 May 2020 to decide on the repurchase and/or on the acceptance as pledge of the Company's own shares. The authorisation is valid until

24 September 2022. The Board of Directors has not used the authorisation to decide on the repurchase of the Company's own shares during the period.

As part of the implementation of the Matching Share Plan announced on 7 February 2018, the company has accepted as a pledge the shares acquired by those key employees who took a loan from the company. As a result, Caverion had 689,056 Caverion Corporation shares as a pledge at the end of the reporting period on 30 June 2021.

Authorising Caverion's Board of Directors to decide on share issues

The Annual General Meeting of Caverion Corporation, held on 24 March 2021, authorised the Board of Directors to decide on share issues in accordance with the proposal by the Board of Directors. The number of shares to be issued under the authorization may not exceed 13,500,000 shares, which corresponds to approximately 9.7% of all the shares in the Company. The Board of Directors decides on all the conditions of the issuance of shares. The authorization concerns both the issuance of new shares as well as the transfer of treasury shares. The issuance of shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization can be used, e.g. in order to develop the Company's capital structure, to broaden the Company's ownership base, to be used as payment in corporate acquisitions or when the Company acquires assets relating to its business and as part of the Company's incentive programs. The authorization cancels the authorization given by the general meeting on 25 May 2020 to decide on the issuance of shares. The authorization is valid until the end of the next Annual General Meeting, however no later than 31 March 2022.

The Board of Directors has not used the current authorisation to decide on share issues during the period. The decisions on the directed share issues without payment described under "Share capital and number of shares" were based on the previous authorisation.

Trading in shares

The opening price of Caverion's share was EUR 5.81 at the beginning of 2021. The closing rate on the last trading day of the review period on 30 June was EUR 6.90. The share price increased by 19 percent during January–June. The highest price of the share during the review period January–June was EUR 7.04, the lowest was EUR 5.06 and the average price was EUR 5.80. Share turnover on Nasdaq Helsinki in January–June amounted to 26.7 million shares. The value of share turnover was EUR 154.7 million (source: Nasdaq Helsinki). Caverion's shares are also traded in other marketplaces, such as Aquis, Cboe and Turquoise.

The market capitalisation of the Caverion Corporation at the end of the review period was EUR 939.8 million. Market capitalisation has been calculated excluding the 2,624,140 shares held by the company as per 30 June 2021.

Number of shareholders and flagging notifications

At the end of June 2021, the number of registered shareholders in Caverion was 26,382 (3/2021: 27,643). At the end of June 2021, a total of 31.6 percent of the shares were owned by nominee-registered and non-Finnish investors (3/2021: 29.9%).

Updated lists of Caverion's largest shareholders and ownership structure by sector as per 30 June 2021, are available on Caverion's website at www.caverion.com/investors.

HALF-YEAR FINANCIAL REPORT 1 JANUARY – 30 JUNE 2021: FINANCIAL TABLES

Condensed consolidated income statement

EUR million	4-6/2021	4-6/2020	1-6/2021	1-6/2020	1-12/2020
Revenue	**545.1**	**518.5**	**1,060.4**	**1,060.1**	**2,154.9**
Other operating income	0.5	8.5	0.9	9.0	11.5
Materials and supplies	-127.6	-131.0	-245.6	-259.3	-529.0
External services	-100.6	-96.5	-190.6	-191.0	-410.1
Employee benefit expenses	-236.1	-224.9	-469.4	-465.5	-902.6
Other operating expenses	-49.8	-52.5	-96.0	-107.1	-225.3
Share of results of associated companies			0.0	0.0	0.0
Depreciation, amortisation and impairment	-17.6	-17.2	-34.7	-34.8	-72.2
Operating result	**13.9**	**5.0**	**24.9**	**11.5**	**27.2**
% of revenue	2.5	1.0	2.3	1.1	1.3
Financial income and expense, net	-2.1	-2.2	-4.2	-6.5	-11.2
Result before taxes	**11.8**	**2.7**	**20.7**	**5.0**	**16.0**
% of revenue	2.2	0.5	2.0	0.5	0.7
Income taxes	-3.0	-0.7	-5.1	-1.3	-7.3
Result for the period	**8.8**	**2.1**	**15.6**	**3.7**	**8.6**
% of revenue	1.6	0.4	1.5	0.3	0.4
Attributable to					
Equity holders of the parent company	8.8	2.0	15.6	3.6	8.6
Non-controlling interests	0.0	0.0	0.0	0.0	0.0
Earnings per share attributable to the equity holders of the parent company					
Earnings per share, undiluted, EUR	0.06	0.01	0.11	0.02	0.05
Diluted earnings per share, EUR	0.06	0.01	0.11	0.02	0.05

Consolidated statement of comprehensive income

EUR million	4-6/2021	4-6/2020	1-6/2021	1-6/2020	1-12/2020
Result for the review period	**8.8**	**2.1**	**15.6**	**3.7**	**8.6**
Other comprehensive income					
Items that will not be reclassified to profit/loss					
- Change in fair value of defined benefit pension plans	0.4	-1.1	-0.7	2.3	-0.7
-- Deferred tax					0.5
- Change in fair value of other investments	0.0	0.0	0.0	0.0	0.0
-- Deferred tax					
Items that may be reclassified subsequently to profit/loss					
- Translation differences	-0.6	-5.4	1.6	-10.9	-9.3
Other comprehensive income, total	**-0.2**	**-6.5**	**0.9**	**-8.6**	**-9.5**
Total comprehensive result	**8.6**	**-4.5**	**16.5**	**-4.9**	**-0.9**
Attributable to					
Equity holders of the parent company	8.6	-4.5	16.5	-4.9	-0.9
Non-controlling interests	0.0	0.0	0.0	0.0	0.0

Condensed consolidated statement of financial position

EUR million	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	18.2	22.9	18.9
Right-of-use assets	120.0	126.4	125.5
Goodwill	365.0	366.9	365.0
Other intangible assets	45.7	54.1	49.1
Shares in associated companies and joint ventures	1.7	1.7	1.7
Other investments	1.3	1.3	1.3
Other receivables	8.2	6.8	8.1
Deferred tax assets	20.2	21.2	19.6
Total non-current assets	**580.1**	**601.3**	**589.1**
Current assets			
Inventories	16.6	19.1	16.3
Trade receivables	311.0	264.0	316.5
POC receivables	207.4	224.4	190.0
Other receivables	27.0	24.3	31.0
Income tax receivables	2.4	2.0	0.2
Cash and cash equivalents	113.7	130.2	149.3
Total current assets	**678.2**	**663.9**	**703.3**
Total assets	**1,258.3**	**1,265.3**	**1,292.4**
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital	1.0	1.0	1.0
Hybrid capital	35.0	35.0	35.0
Other equity	148.1	155.2	160.3
Non-controlling interest	0.3	0.4	0.3
Equity	**184.4**	**191.5**	**196.6**
Non-current liabilities			
Deferred tax liabilities	32.0	31.9	31.6
Pension liabilities	51.5	48.3	51.4
Provisions	10.2	10.4	10.8
Lease liabilities	83.4	87.6	87.5
Other interest-bearing debts	134.3	137.1	135.7
Other liabilities	5.8	5.0	5.7
Total non-current liabilities	**317.3**	**320.2**	**322.7**
Current liabilities			
Advances received	237.9	236.5	252.2
Trade payables	161.4	169.3	163.6
Other payables	270.6	258.4	263.1
Income tax liabilities	10.8	15.2	12.3
Provisions	32.8	29.8	37.3
Lease liabilities	40.2	41.3	41.7
Other interest-bearing debts	3.0	3.0	3.0
Total current liabilities	**756.7**	**753.5**	**773.1**
Total equity and liabilities	**1,258.3**	**1,265.3**	**1,292.4**

Working capital

EUR million	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
Inventories	16.6	19.1	16.3
Trade and POC receivables	518.4	488.4	506.5
Other current receivables	26.9	24.0	30.2
Trade and POC payables	-185.9	-189.3	-188.0
Other current liabilities	-278.1	-267.0	-273.3
Advances received	-237.9	-236.5	-252.2
Working capital	**-139.9**	**-161.3**	**-160.4**

Consolidated statement of changes in equity

	Equity attributable to owners of the parent									
EUR million	**Share capital**	**Retained earnings**	**Cumulative translation differences**	**Fair value reserve**	**Treasury shares**	**Unrestricted equity reserve**	**Hybrid capital**	**Total**	**Non-controlling interest**	**Total equity**
Equity on January 1, 2021	**1.0**	**111.3**	**-14.1**	**-0.1**	**-2.8**	**66.0**	**35.0**	**196.3**	**0.3**	**196.6**
Comprehensive income										
Result for the period		15.6						15.6	0.0	15.6
Other comprehensive income:										
Change in fair value of defined benefit pension plans		-0.7						-0.7		-0.7
-Deferred tax										
Change in fair value of other investments				0.0				0.0		0.0
-Deferred tax										
Translation differences			1.6					1.6		1.6
Comprehensive income, total		**14.9**	**1.6**	**0.0**				**16.5**	**0.0**	**16.5**
Dividend distribution		-27.3						-27.3	0.0	-27.3
Share-based payments		0.5						0.5		0.5
Transfer of own shares		-0.4			0.4					
Hybrid capital interests and costs after taxes		-1.9						-1.9		-1.9
Equity on June 30, 2021	**1.0**	**97.1**	**-12.4**	**-0.2**	**-2.4**	**66.0**	**35.0**	**184.1**	**0.3**	**184.4**

	Equity attributable to owners of the parent									
EUR million	**Share capital**	**Retained earnings**	**Cumulative translation differences**	**Fair value reserve**	**Treasury shares**	**Unrestricted equity reserve**	**Hybrid capital**	**Total**	**Non-controlling interest**	**Total equity**
Equity on January 1, 2020	**1.0**	**103.4**	**-4.8**	**-0.1**	**-3.1**	**66.0**	**66.1**	**228.5**	**0.4**	**228.9**
Comprehensive income										
Result for the period		3.6						3.6	0.0	3.6
Other comprehensive income:										
Change in fair value of defined benefit pension plans		2.3						2.3		2.3
-Deferred tax										
Change in fair value of other investments				0.0				0.0		0.0
-Deferred tax										
Translation differences			-10.9					-10.9		-10.9
Comprehensive income, total		**5.9**	**-10.9**	**0.0**				**-4.9**	**0.0**	**-4.9**
Dividend distribution									0.0	0.0
Share-based payments		1.1						1.1		1.1
Transfer of own shares		-0.3			0.3					
Hybrid capital repayment							-66.1	-66.1		-66.1
Hybrid capital issue							35.0	35.0		35.0
Hybrid capital interests and costs after taxes		-2.4						-2.4		-2.4
Other change		0.0						0.0		0.0
Equity on June 30, 2020	**1.0**	**107.7**	**-15.7**	**-0.1**	**-2.8**	**66.0**	**35.0**	**191.2**	**0.4**	**191.5**

EUR million	Share capital	Retained earnings	Cumulative translation differences	Fair value reserve	Treasury shares	Unrestricted equity reserve	Hybrid capital	Total	Non-controlling interest	Total equity
	Equity attributable to owners of the parent									
Equity on January 1, 2020	**1.0**	**103.4**	**-4.8**	**-0.1**	**-3.1**	**66.0**	**66.1**	**228.5**	**0.4**	**228.9**
Comprehensive income										
Result for the period		8.6						8.6	0.0	8.6
Other comprehensive income:										
Change in fair value of defined benefit pension plans		-0.7						-0.7		-0.7
-Deferred tax		0.5						0.5		0.5
Change in fair value of other investments				0.0				0.0		0.0
-Deferred tax										
Translation differences			-9.3					-9.3		-9.3
Comprehensive income, total		**8.4**	**-9.3**	**0.0**				**-0.9**	**0.0**	**-0.9**
Dividend distribution									0.0	0.0
Share-based payments		2.4						2.4		2.4
Transfer of own shares		-0.3			0.3					
Hybrid capital repayment							-66.1	-66.1		-66.1
Hybrid capital issue							35.0	35.0		35.0
Hybrid capital interests and costs after taxes		-2.4						-2.4		-2.4
Other distribution of equity									-0.1	-0.1
Other change		-0.2						-0.2		-0.2
Equity on December 31, 2020	**1.0**	**111.3**	**-14.1**	**-0.1**	**-2.8**	**66.0**	**35.0**	**196.3**	**0.3**	**196.6**

Condensed consolidated statement of cash flows

EUR million	4-6/2021	4-6/2020	1-6/2021	1-6/2020	1-12/2020
Cash flows from operating activities					
Result for the period	8.8	2.1	15.6	3.7	8.6
Adjustments to result	21.5	14.9	39.9	35.2	95.0
Change in working capital	-33.7	31.3	-18.3	65.5	54.0
Operating cash flow before financial and tax items	**-3.4**	**48.2**	**37.2**	**104.3**	**157.6**
Financial items, net	-1.0	-1.9	-5.3	-5.2	-9.5
Taxes paid	-0.9	0.6	-9.0	-3.4	-8.5
Net cash from operating activities	**-5.2**	**46.9**	**22.9**	**95.7**	**139.6**
Cash flows from investing activities					
Acquisition of subsidiaries and businesses, net of cash	0.0	0.0	-0.7	-2.1	-2.1
Disposal of subsidiaries and businesses, net of cash		0.0		0.0	1.9
Capital expenditure and other investments, net	-3.1	-3.8	-6.0	-7.9	-11.6
Net cash used in investing activities	**-3.1**	**-3.8**	**-6.7**	**-9.9**	**-11.8**
Cash flow after investing activities	**-8.3**	**43.1**	**16.2**	**85.7**	**127.8**
Cash flow from financing activities					
Change in loan receivables, net				0.2	0.3
Change in current liabilities, net			0.0		
Proceeds from borrowings		15.0	0.1	15.0	15.0
Repayments of borrowings	-1.5		-1.5		-1.5
Repayments of lease liabilities	-12.0	-11.7	-22.8	-22.9	-48.2
Hybrid capital issue		35.0		35.0	35.0
Hybrid capital repayment		-66.1		-66.1	-66.1
Hybrid capital costs and interests	-2.4	-3.0	-2.4	-3.0	-3.0
Dividends paid and other distribution of assets	-27.2		-27.3	0.0	-0.1
Net cash used in financing activities	**-43.2**	**-30.7**	**-53.9**	**-41.8**	**-68.5**
Change in cash and cash equivalents	**-51.5**	**12.4**	**-37.7**	**44.0**	**59.2**
Cash and cash equivalents at the beginning of the period	166.2	113.2	149.3	93.6	93.6
Change in the foreign exchange rates	-1.0	4.6	2.1	-7.3	-3.5
Cash and cash equivalents at the end of the period	**113.7**	**130.2**	**113.7**	**130.2**	**149.3**

Free cash flow

EUR million	4-6/2021	4-6/2020	1-6/2021	1-6/2020	1-12/2020
Operating cash flow before financial and tax items	-3.4	48.2	37.2	104.3	157.6
Taxes paid	-0.9	0.6	-9.0	-3.4	-8.5
Net cash used in investing activities	-3.1	-3.8	-6.7	-9.9	-11.8
Free cash flow	**-7.3**	**45.0**	**21.5**	**91.0**	**137.3**

NOTES TO THE HALF-YEAR FINANCIAL REPORT

1 Accounting principles

Caverion Corporation's Half-year Financial Report for 1 January – 30 June, 2021 has been prepared in accordance with IAS 34, 'Interim Financial Reporting'. Caverion has applied the same accounting principles in the preparation of the Half-year Financial Report as in its Financial Statements for 2020.

The information presented in this Half-year Financial Report has not been audited.

In the Half-year Financial Report the figures are presented in million euros subject to rounding, which may cause some rounding inaccuracies in column and total sums.

2 Key figures

	6/2021	6/2020	12/2020
Revenue, EUR million	1,060.4	1,060.1	2,154.9
EBITDA, EUR million	59.6	46.2	99.4
EBITDA margin, %	5.6	4.4	4.6
Adjusted EBITDA, EUR million	62.6	44.7	116.5
Adjusted EBITDA margin, %	5.9	4.2	5.4
EBITA, EUR million	33.1	18.4	42.4
EBITA margin, %	3.1	1.7	2.0
Adjusted EBITA, EUR million	36.1	17.0	60.6
Adjusted EBITA margin, %	3.4	1.6	2.8
Operating profit, EUR million	24.9	11.5	27.2
Operating profit margin, %	2.3	1.1	1.3
Result before taxes, EUR million	20.7	5.0	16.0
% of revenue	2.0	0.5	0.7
Result for the review period, EUR million	15.6	3.7	8.6
% of revenue	1.5	0.3	0.4
Earnings per share, undiluted, EUR	0.11	0.02	0.05
Earnings per share, diluted, EUR	0.11	0.02	0.05
Equity per share, EUR	1.4	1.4	1.4
Equity ratio, %	18.1	18.6	18.9
Interest-bearing net debt, EUR million	147.3	138.8	118.6
Gearing ratio, %	79.9	72.5	60.4
Total assets, EUR million	1,258.3	1,265.3	1,292.4
Operating cash flow before financial and tax items, EUR million	37.2	104.3	157.6
Cash conversion (LTM), %	80.3	160.7	158.5
Working capital, EUR million	-139.9	-161.3	-160.4
Gross capital expenditures, EUR million	7.1	12.2	16.7
% of revenue	0.7	1.2	0.8
Order backlog, EUR million	1,789.0	1,739.7	1,609.1
Personnel, average for the period	14,958	16,021	15,773
Number of outstanding shares at the end of the period (thousands)	136,296	136,112	136,112
Average number of shares (thousands)	136,198	136,097	136,105

3 Financial development by quarter

EUR million	4-6/2021	1-3/2021	10-12/2020	7-9/2020	4-6/2020	1-3/2020
Revenue	545.1	515.3	579.3	515.5	518.5	541.6
EBITDA	31.5	28.1	21.8	31.4	22.1	24.1
EBITDA margin, %	5.8	5.5	3.8	6.1	4.3	4.4
Adjusted EBITDA	33.2	29.4	36.9	34.8	18.5	26.3
Adjusted EBITDA margin, %	6.1	5.7	6.4	6.8	3.6	4.8
EBITA	18.0	15.1	6.3	17.7	8.4	10.0
EBITA margin, %	3.3	2.9	1.1	3.4	1.6	1.8
Adjusted EBITA	19.7	16.4	22.5	21.2	4.8	12.1
Adjusted EBITA margin, %	3.6	3.2	3.9	4.1	0.9	2.2
Operating profit	13.9	11.0	1.9	13.9	5.0	6.5
Operating profit margin, %	2.5	2.1	0.3	2.7	1.0	1.2

	4-6/2021	1-3/2021	10-12/2020	7-9/2020	4-6/2020	1-3/2020
Earnings per share, undiluted, EUR	0.06	0.05	-0.03	0.06	0.01	0.01
Earnings per share, diluted, EUR	0.06	0.05	-0.03	0.06	0.01	0.01
Equity per share, EUR	1.4	1.3	1.4	1.5	1.4	1.7
Equity ratio, %	18.1	17.2	18.9	19.8	18.6	22.0
Interest-bearing net debt, EUR million	147.3	98.0	118.6	187.5	138.8	142.8
Gearing ratio, %	79.9	55.2	60.4	93.8	72.5	62.3
Total assets, EUR million	1,258.3	1,280.9	1,292.4	1,247.7	1,265.3	1,261.1
Operating cash flow before financial and tax items, EUR million	-3.4	40.6	81.3	-28.0	48.2	56.1
Cash conversion (LTM), %	80.3	137.4	158.5	138.2	160.7	162.4
Working capital, EUR million	-139.9	-176.0	-160.4	-94.5	-161.3	-127.3
Gross capital expenditures, EUR million	2.8	4.3	3.4	1.1	4.0	8.3
% of revenue	0.5	0.8	0.6	0.2	0.8	1.5
Order backlog, EUR million	1,789.0	1,626.7	1,609.1	1,627.7	1,739.7	1,768.3
Personnel at the end of the period	14,958	14,892	15,163	15,649	15,902	16,010
Number of outstanding shares at end of period (thousands)	136,296	136,176	136,112	136,112	136,112	136,110
Average number of shares (thousands)	136,258	136,138	136,112	136,112	136,109	136,085

4 Calculation of key figures

Key figures on financial performance

EBITDA =	Operating profit (EBIT) + depreciation, amortisation and impairment
Adjusted EBITDA =	EBITDA before items affecting comparability (IAC) *
EBITA =	Operating profit (EBIT) + amortisation and impairment
Adjusted EBITA =	EBITA before items affecting comparability (IAC) *
Equity ratio (%) =	$\dfrac{(\text{Equity + non-controlling interest}) \times 100}{\text{Total assets - advances received}}$
Gearing ratio (%) =	$\dfrac{(\text{Interest-bearing liabilities - cash and cash equivalents}) \times 100}{\text{Shareholders' equity + non-controlling interest}}$
Interest-bearing net debt =	Interest-bearing liabilities - cash and cash equivalents
Working capital =	Inventories + trade and POC receivables + other current receivables - trade and POC payables - other current payables - advances received - current provisions
Free cash flow =	Operating cash flow before financial and tax items – taxes paid – net cash used in investing activities
Cash conversion (%) =	$\dfrac{\text{Operating cash flow before financial and tax items (LTM)} \times 100}{\text{EBITDA (LTM)}}$
Organic growth =	Defined as the change in revenue in local currencies excluding the impacts of (i) currencies; and (ii) acquisitions and divestments. The currency impact shows the impact of changes in exchange rates of subsidiaries with a currency other than the euro (Group's reporting currency). The acquisitions and divestments impact shows how acquisitions and divestments completed during the current or previous year affect the revenue reported.

Share related key figures

Earnings / share, undiluted =	$\dfrac{\text{Result for the period (attributable for equity holders) - hybrid capital expenses and accrued unrecognised interests after tax}}{\text{Weighted average number of shares outstanding during the period}}$
Earnings /share, diluted =	$\dfrac{\text{Result for the period (attributable for equity holders) - hybrid capital expenses and accrued unrecognised interests after tax}}{\text{Weighted average dilution adjusted number of shares outstanding during the period}}$
Equity / share =	$\dfrac{\text{Shareholders' equity}}{\text{Number of outstanding shares at the end of the period}}$

*Items affecting comparability (IAC) in 2021 are material items or transactions, which are relevant for understanding the financial performance of Caverion when comparing the profit of the current period with that of the previous periods. These items can include (1) capital gains and/or losses and transaction costs related to divestments and acquisitions; (2) write-downs, expenses and/or income from separately identified major risk projects; (3) restructuring expenses and (4) other items that according to Caverion management's assessment are not related to normal business operations. In 2020 and 2021, major risk projects only include one risk project in Germany reported under category (2). In 2020 and 2021, legal and other costs related to the German anti-trust fine and in 2020 also costs related to a subsidiary in Russia sold during the second quarter have been reported under category (4).

Adjusted EBITDA is affected by the same adjustments as adjusted EBITA, except for restructuring costs, which do not include depreciation and impairment relating to restructurings.

ESMA (European Securities and Markets Authority) has issued guidelines regarding Alternative Performance Measures ("APM"). Caverion presents APMs to improve the analysis of business and financial performance and to enhance the comparability between reporting periods. APMs presented in this report should not be considered as a substitute for measures of performance in accordance with the IFRS.

5 Related party transactions

Caverion announced on 7 February 2018 in a stock exchange release the establishment of a new share-based incentive plan directed for the key employees of the Group ("Matching Share Plan 2018–2022"). The company provided the participants a possibility to finance the acquisition of the company's shares through an interest-bearing loan from the company, which some of the participants utilised. In the end of June 2021, the total outstanding amount of these loans amounted approximately to EUR 4.4 (4.4) million. The loans will be repaid in full on 31 December 2023, at the latest. Company shares have been pledged as a security for the loans.

Purchases from members of the Board

Caverion had a fixed term contract until 28 February 2021 with a member of the Board concerning consulting services. The value of the contract was not material.

6 Financial risk management

Caverion's main financial risks are the liquidity risk, credit risk as well as market risks including the foreign exchange and interest rate risk. The objectives and principles of financial risk management are defined in the Treasury Policy approved by the Board of Directors. Financial risk management is carried out by Group Treasury in co-operation with the Group's subsidiaries.

The outbreak of the corona pandemic has increased the general risk level related to the availability of financing, the availability of guarantee facilities as well as foreign exchange related risks. However, in the base scenario which assumes a successful implementation of the ongoing corona vaccination programmes and no material unforeseen negative surprises in 2021, the financial risks related to the pandemic are on moderate level.

The objective of capital management in Caverion Group is to maintain an optimal capital structure, maximise the return on the respective capital employed and to minimise the cost of capital within the limits and principles stated in the Treasury Policy. The capital structure is modified primarily by directing investments and working capital employed.

No significant changes have been made to the Group's financial risk management principles in the reporting period. Further information is presented in Group's 2020 financial statement in note 5.5 Financial risk management.

Caverion's liquidity position is strong. A negative scenario whereby the corona pandemic continues longer than currently anticipated cannot be ruled out. Therefore, Caverion continues the sharpened focus on optimising cash flow and working capital management. Ensuring adequate financing has also been prioritised.

Caverion's external loans are subject to a financial covenant based on the ratio of the Group's net debt to EBITDA. The covenant ratio is continuously monitored and evaluated against actual and forecasted EBITDA and net debt figures.

The next table presents the maturity structure of interest-bearing liabilities. Interest-bearing borrowings are based on contractual maturities of liabilities excluding interest payments. Lease liabilities are presented based on discounted present value of remaining lease payments. Cash flows of foreign-denominated liabilities are translated into the euro at the reporting date.

EUR million	2021	2022	2023	2024	2025	2026->	Total
Interest-bearing borrowings	1.5	3.0	128.0	3.0	1.5	0.5	137.5
Lease liabilities	20.9	34.6	24.6	15.6	8.3	19.7	123.6
Total	**22.4**	**37.6**	**152.6**	**18.6**	**9.8**	**20.2**	**261.1**

7 Financial liabilities and interest-bearing net debt

EUR million	Jun 30, 2021 Carrying amount	Jun 30, 2020 Carrying amount	Dec 31, 2020 Carrying amount
Non-current liabilities			
Senior bonds	74.8	74.7	74.7
Loans from financial institutions	49.9	49.9	49.9
Other financial loans	0.5	0.5	0.5
Pension loans	9.0	12.0	10.5
Lease liabilities	83.4	87.6	87.5
Total non-current interest-bearing liabilities	**217.7**	**224.7**	**223.2**
Current liabilities			
Loans from financial institutions			
Pension loans	3.0	3.0	3.0
Other financial loans			
Lease liabilities	40.2	41.3	41.7
Total current interest-bearing liabilities	**43.2**	**44.3**	**44.7**
Total interest-bearing liabilities	**260.9**	**269.0**	**267.9**
Total interest-bearing liabilities (excluding IFRS 16 lease liabilities)	**137.3**	**140.1**	**138.7**
Cash and cash equivalents	113.7	130.2	149.3
Interest-bearing net debt	**147.3**	**138.8**	**118.6**
Interest-bearing net debt excluding IFRS 16 lease liabilities	**23.7**	**9.9**	**-10.6**

The carrying amounts of all financial assets and liabilities are reasonably close to their fair values.

Derivative instruments

Nominal amounts EUR million	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
Foreign exchange forwards	60.2	65.6	70.2

Fair values EUR million	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
Foreign exchange forwards			
positive fair value	0.0	0.1	0.6
negative fair value	-0.1	-0.4	-0.2

The fair values of the derivative instruments have been defined as follows: The fair values of foreign exchange forward agreements have been defined by using market prices on the closing day. The fair values of interest rate swaps are based on discounted cash flows.

8 Commitments and contingent liabilities

EUR million	Jun 30, 2021	Jun 30, 2020	Dec 31, 2020
Guarantees given on behalf of associated companies and joint ventures	30.7		22.4
Parent company's guarantees on behalf of its subsidiaries	459.5	485.3	454.9
Other commitments			
- Other contingent liabilities	0.2	0.2	0.2
Accrued unrecognised interest on hybrid bond	0.3	0.3	1.5

Entities participating in the demerger are jointly and severally responsible for the liabilities of the demerging entity which have been generated before the registration of the demerger. As a consequence, a secondary liability up to the allocated net asset value was generated to Caverion Corporation, incorporated due to the partial demerger of YIT Corporation, for those liabilities that were generated before the registration of the demerger and remain with YIT Corporation after the demerger. Caverion Corporation has a secondary liability relating to the Group guarantees which remain with YIT Corporation after the demerger. These Group guarantees amounted to EUR 18.5 million at the end of June 2021.

The short-term risks and uncertainties relating to the operations have been described above under "Short-term risks and uncertainties". It is possible that especially the infringements in compliance may cause considerable damage to Caverion in terms of fines, civil claims as well as legal expenses. However, the magnitude of the potential damage cannot be assessed at the moment.

9 Events after the reporting period

Caverion closed on 1 July 2021 an agreement to acquire the business of the Swedish company RPH Linc AB. RPH Linc is a system integrator in the area of electrical security focusing on high-end security solutions for enterprise and multisite customers and the public sector. In the financial year ending March 2020, the revenue of RPH Linc was about EUR 3 million. The parties have agreed not to disclose the transaction price.

Caverion closed on 2 July 2021 an agreement to acquire GTS Immobilien GmbH ("GTS") in Austria. Through its subsidiary GTS Automation GmbH, GTS Group is a well-known company on the Austrian market for building automation. Through the acquisition, Caverion supports its growth strategy and strengthens its market position in smart technologies. The acquisition is a bolt-on acquisition for Caverion in the area of building automation, a smart technology area in which Caverion has a deep competence. The company has approximately 40 employees. The purchase price was not disclosed.

Caverion's Financial Information for 2021

Interim Report for January – September 2021: 4 November 2021

Financial Statements Release for 2021: 10 February 2022

Building Performance

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