Caverion
Building Performance

Q4/2023
Financial Statement Release 1-12/2023

CAVERION CORPORATION'S FINANCIAL STATEMENT RELEASE FOR 1 JANUARY – 31 DECEMBER 2023

Eventful year with all-time high results

1 JANUARY – 31 DECEMBER 2023

- **The public tender offer by Triton/Crayfish BidCo Oy** for all shares of Caverion Corporation was completed in November 2023 and redemption proceedings for the remaining minority shares were initiated.
- **Order backlog:** EUR 1,908.7 (1,943.3) million, down by 1.8 percent. Services backlog increased by 0.1 percent. Projects backlog decreased by 4.3 percent.
- **Revenue:** EUR 2,490.9 (2,352.1) million, up by 5.9 percent. Organic growth was 5.6 (8.6) percent. Services business revenue increased by 3.2 percent. Projects business revenue increased by 11.3 percent.
- **Adjusted EBITA:** EUR 123.7 (105.8) million, or 5.0 (4.5) percent of revenue, up by 16.9 percent. The majority of the adjustments were related to the public tender offer process.
- **EBITA:** EUR 93.2 (86.1) million, or 3.7 (3.7) percent of revenue, up by 8.2 percent.
- **Operating profit:** EUR 77.2 (69.9) million, or 3.1 (3.0) percent of revenue, up by 10.4 percent.
- **Operating cash flow before financial and tax items:** EUR 165.9 (144.3) million, up by 14.9 percent.
- **Cash conversion (LTM):** 107.5 (100.6) percent.
- **Earnings per share, undiluted:** EUR 0.24 (0.32) per share. Earnings per share adjusted with items related to the tender offer process was EUR 0.52 (0.34) per share.
- **Net debt/Adjusted EBITDA:** 1.3x (1.2x).
- **Acquisitions:** Caverion closed five acquisitions in January–December 2023, total annual revenue EUR 60.4 million.
- **Board's dividend proposal for the AGM on 12 June 2024:** No dividend will be paid for the year 2023.

1 OCTOBER – 31 DECEMBER 2023

- **Revenue:** EUR 670.0 (682.9) million, down by 1.9 percent. Organic growth was -0.9 (14.9) percent. Services business revenue decreased by 4.9 percent. Projects business revenue increased by 4.7 percent.
- **Adjusted EBITA:** EUR 44.0 (38.7) million, or 6.6 (5.7) percent of revenue, up by 13.8 percent.
- **EBITA:** EUR 28.7 (24.6) million, or 4.3 (3.6) percent of revenue, up by 16.6 percent.
- **Operating profit:** EUR 24.9 (20.0) million, or 3.7 (2.9) percent of revenue, up by 24.9 percent.
- **Operating cash flow before financial and tax items:** EUR 132.3 (106.9) million.
- **Earnings per share, undiluted:** EUR 0.00 (0.09) per share. Earnings per share adjusted with items related to the tender offer process was EUR 0.21 (0.11) per share.

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

KEY FIGURES

EUR million	10-12/23	10-12/22	Change	1-12/23	1-12/22	Change
Revenue	670.0	682.9	-1.9%	2,490.9	2,352.1	5.9%
Organic growth, %	-0.9	14.9		5.6	8.6	
Adjusted EBITDA	60.0	53.8	11.5%	184.7	163.0	13.3%
Adjusted EBITDA margin, %	9.0	7.9		7.4	6.9	
EBITDA	44.8	39.8	12.6%	154.3	143.4	7.6%
EBITDA margin, %	6.7	5.8		6.2	6.1	
Adjusted EBITA	44.0	38.7	13.8%	123.7	105.8	16.9%
Adjusted EBITA margin, %	6.6	5.7		5.0	4.5	
EBITA	28.7	24.6	16.6%	93.2	86.1	8.2%
EBITA margin, %	4.3	3.6		3.7	3.7	
Operating profit	24.9	20.0	24.9%	77.2	69.9	10.4%
Operating profit margin, %	3.7	2.9		3.1	3.0	
Result for the period	0.4	13.1	-96.9%	33.1	46.2	-28.5%
Earnings per share, undiluted, EUR	0.00	0.09	-96.9%	0.24	0.32	-26.9%
Operating cash flow before financial and tax items	132.3	106.9	23.8%	165.9	144.3	14.9%
Order backlog				1,908.7	1,943.3	-1.8%
Cash conversion (LTM), %				107.5	100.6	
Working capital				-170.8	-141.4	-20.8%
Interest-bearing net debt				236.8	200.9	17.9%
Net debt/Adjusted EBITDA				1.3	1.2	
Gearing, %				134.8	89.1	
Equity ratio, %				15.6	19.8	
Personnel, end of period				14,815	14,490	2.2%

JACOB GÖTZSCHE, PRESIDENT AND CEO

"The year 2023 was another positive, and eventful, year for Caverion, marked by increased revenue and solid profitability. Both our revenue and adjusted EBITA reached record-high levels. Our revenue increased to EUR 2,490.9 (2,352.1) million and adjusted EBITA to EUR 123.7 (105.8) million, which represents a margin of 5.0%. I am very pleased with this achievement in these market conditions, characterised by high interest rates, low investment activity, increased geopolitical uncertainty and a turbulent construction market as a whole.

In the fourth quarter, revenue was slightly behind last year at EUR 670.0 (682.9) million due to a negative currency impact. In 2023, organic revenue growth was 5.6% whereas acquisitions contributed by 4.1%. During the year, we also saw a significant currency impact due to the devaluation of the Swedish and Norwegian currencies. The negative revenue contribution of the currency impact was as much as EUR 20 million in the fourth quarter and EUR 87 million during the year. Measured in local currencies, revenue increased in 2023 in all divisions except Industry as well as in both Service and Project businesses. We have executed several sizable projects during the year, including substations and power lines for the main grid in Finland, a new airport terminal in Frankfurt, Germany, a university hospital in Northern Finland as well as a recycling plant for car batteries in Sweden. These types of projects are not dependent on the general market sentiment and demonstrate the advantage in having broad capabilities and know-how, as we have in Caverion.

In the fourth quarter, adjusted EBITA improved by 13.8% to EUR 44.0 million (38.7), 6.6% (5.7) of revenue. Our adjusted EBITA for the full year increased by 16.9% compared to the previous year and by 21.9% when excluding the negative impact of the currency devaluation (about EUR 4.4 million). The main contributor to the improvement was the continued high performance in Services as well as the healthy project mix and profitable growth in the Projects business unit. While we have been quite resilient to the high inflation and high interest rates, we are of course not immune to the negative market sentiment. Even if the challenges in the residential construction market do not have a significant impact on our business directly, we also do experience the indirect impact through more competition and price pressure. Our operating cash flow during the year improved to EUR 165.9 (144.3) million.

Order backlog at the end the year was stable at EUR 1,908.7 (1,943.3) million. In these market conditions, this gives us confidence of continued good performance also in 2024. Despite the challenges of the current operating environment, global trends drive long-term demand in our business.

In 2023, we made good progress in the execution of our Sustainable Growth strategy. We strengthened our service capacity and expertise by completing five acquisitions in Finland, Norway and Sweden. As outlined in our strategy, we will continue screening complementing, high-quality companies also going forward. Overall, we are in a good position to meet the demands of our customers from both geographical and capability point of view.

Sustainability and energy efficiency in the built environment are major priorities for our customers and hence also strategic focus and growth drivers for us at Caverion. Our sustainability work focuses on four key targets: caring for our people, ensuring sustainable value chain, increasing our carbon handprint as well as decreasing our own carbon footprint. The year 2023 has been a year of preparation for the requirements of the upcoming EU legislation concerning sustainability reporting. During 2023, we defined, among other actions, a unified carbon handprint calculation model, calculated our total greenhouse gas Scope 1-3 emissions, and expect our Science Based Targets to be validated in 2024.

"The year 2023 was yet another positive, and eventful, year for Caverion, marked by increased revenue and solid profitability.'

The year 2023 also marks, for now, the last full year for Caverion Corporation as a publicly listed company. We are pleased to see the long tender offer process, which started already back in 2022, now coming to an end. Furthermore, we are happy that with Triton we will have an owner who has vast experience in our sector and who will enable us to accelerate the execution of our strategy. The ownership change in itself has no impact in our daily business and at Caverion we continue to focus on serving our customers as before.

I wish to thank our customers, business partners, shareholders and the Caverion employees in particular for their contribution to a successful 2023 and look forward to continued good collaboration and success in 2024!"

MARKET OUTLOOK FOR 2024

The digitalisation and sustainability megatrends are in many ways favourable to Caverion and they are believed to support demand for the company's offering in 2024 and going forward. The increased energy efficiency requirements, and the increasing digitalisation, automation and technology requirements in the built environment remain strong, together with the urbanisation megatrend. 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 continued focus on energy efficiency and CO2 reduction targets and projects continues to support activity and business volume in Caverion's operating environment.

Caverion will no longer publish result guidance due to the previously announced intention of a controlling shareholder, Crayfish BidCo Oy, to cause Caverion's shares to be delisted from Nasdaq Helsinki Ltd as soon as reasonably practicable.

FINANCIAL AND SUSTAINABILITY TARGETS

Caverion updated its financial targets in connection with publishing its updated strategy on 9 May 2022. Sustainability targets remained unchanged.

Financial targets until the end of 2025		1-12/2023
Cash conversion (LTM)	Operating cash flow before financial and tax items / EBITDA > 100%	107.5%
Profitability	Adjusted EBITA > 5.5% of revenue	5.0%
Organic revenue growth	3–4% p.a. over the strategy period	5.6%
M&A revenue	2–3% p.a. over the strategy period	4.1%
Debt leverage	Net debt/LTM Adjusted EBITDA < 2.5x	1.3x
Dividend policy	Distribute at least 50% of the result for the year after taxes, however, taking leverage level into account	0%*

** Calculated as Dividend per earnings (%). The Board of Directors proposes to the Annual General Meeting to be held on 12 June 2024 that no dividend will be paid for the year 2023.*

Sustainability targets	2025	2023	2022
Decreasing our footprint			
Total carbon footprint defined and measured	100%	100%	100%
Increasing our handprint			
Carbon handprint over footprint (Scope 1–2)	5x	>3x	>3x
Our offering has a defined carbon handprint	100%	25%	25%
Caring for our people			
Lost Time Injury Frequency Rate (LTIFR)	<2	4.1	4.0
Share of female employees	15%	11%	11%
Our employees trained in sustainability	100%	97%	30%
Ensuring sustainable value chain			
Supplier Code of Conduct sign-off rate	>90%	80%	74%
Our tender requests include sustainability criteria	100%	-	-

FINANCIAL INFORMATION TO BE PUBLISHED IN 2024

The Annual Review 2023 including the financial statements will be published during week 9/2024, at the latest.

Caverion Corporation changed its financial reporting practice and will only publish a half-year financial report and a financial statement release in the future. The publication dates and financial reports are available at Caverion's website www.caverion.com/investors.

CAVERION CORPORATION

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OPERATING ENVIRONMENT

The economic uncertainty due to the conflicts in Ukraine and recently in the Middle East, followed by the subsequent energy crisis, mounting inflation, rising interest rates and lowered economic growth prospects continued. Caverion has no operations in the Middle East, Russia, Ukraine or Belarus. Therefore, the impact of the conflicts on Caverion is currently indirect.

Core inflation, despite signs of easing, remained high during January–December 2023. The cost inflation related to material prices continued to impact also the building technology market. Caverion continues to manage any increases in material prices and delays in the supply chain on a daily basis without them having a significant impact on the financial performance during January–December 2023. On the other hand, wage inflation has gradually increased in all of Caverion's operating countries.

The economic sentiment indicators have continued to be volatile in the EU during January–December 2023, and the operating environment is still impacted by lower economic growth prospects and the recent interest rate hikes.

Services
In Services, the market demand and general investment activity remained positive. Caverion has continued to see an increasing interest towards long-term and large-scale service agreements, driven by the demand for technical competencies and self-delivery capability. There has also been increasing demand for services supporting sustainability, such as energy management, digital solutions and advisory services, driven by regulation and increased awareness. Growth has been limited by the availability of competent workforce.

Projects
The increasing interest rates have as much as stalled certain segments of the building construction market. Caverion is not immune to this development. The residential construction market, however, does not have a significant role in Caverion's Projects business portfolio. On the other hand, the demand in certain other businesses, such as renewable energy related projects, has been strong. As such, for Caverion's Projects business as a whole, the market demand has remained mostly stable, however, with regional differences.

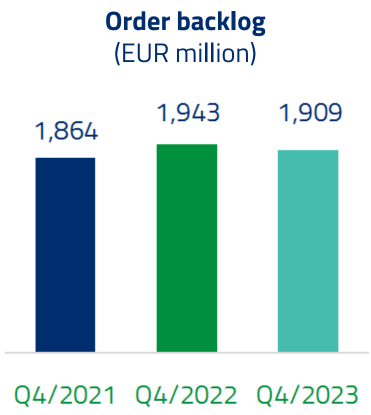
The Projects market was also impacted by increases in material prices, delays in decision-making and supply chain as well as uncertainty in the business environment, especially related to new construction.

ORDER BACKLOG

Order backlog at the end of December decreased by 1.8 percent to EUR 1,908.7 million from the end of December in the previous year (EUR 1,943.3 million).

At comparable exchange rates, order backlog was EUR 1,920.0 million.

Order backlog increased by 0.1 percent in Services and decreased by 4.3 percent in Projects from the end of December in the previous year.



REVENUE

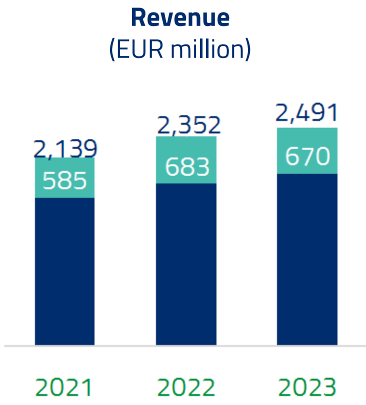
October–December

Revenue was EUR 670.0 (682.9) million and decreased by 1.9 percent compared to the previous year. At the previous year's exchange rates, revenue would have been EUR 689.8 million, an increase of 1.0 percent compared to the previous year. Organic growth was -0.9 percent.

Revenue was negatively impacted by fluctuations in currency exchange rates of EUR 19.8 million, equalling a decrease of 2.9 percent. Changes in Swedish krona had a negative effect of EUR 7.3 million and changes in Norwegian krone had a negative effect of EUR 12.6 million. Acquisitions and divestments impacted revenue by 1.9 (4.1) percent.

Excluding the effects of exchange rates, revenue increased in the divisions Sweden, Norway and Germany and was at the previous year's level or decreased in divisions Finland, Denmark, Austria and Industry. Organic growth was strong especially in divisions Sweden and Norway.

Revenue of the Services business unit decreased by 4.9 percent and was EUR 443.1 (466.2) million. In local currencies, the decrease was 1.7 percent. Revenue of the Projects business unit was EUR 226.9 (216.8) million, an increase of 4.7 percent, or 6.9 percent in local currencies.



EUR million	10-12/23	10-12/22	Change	Currency impact	Change in comparable rates	Organic growth*	Acquisitions/ divestments impact
Sweden	141.7	132.4	7.1%	-5.5%	12.6%	12.4%	0.2%
Finland	119.2	120.7	-1.2%		-1.2%	-3.2%	1.9%
Germany	115.3	112.5	2.5%		2.5%	2.5%	
Norway	102.9	105.0	-2.0%	-12.0%	9.9%	8.0%	2.0%
Industry	71.5	80.5	-11.2%	0.2%	-11.4%	-22.8%	11.4%
Austria	65.8	75.1	-12.4%		-12.4%	-8.5%	-3.9%
Denmark	41.5	44.2	-6.0%	-0.2%	-5.8%	-5.8%	0.0%
Baltic countries	12.1	12.6	-4.6%		-0.2%	-0.2%	
Group, total	**670.0**	**682.9**	**-1.9%**	**-2.9%**	**1.0%**	**-0.9%**	**1.9%**
Services	443.1	466.2	-4.9%	-3.2%	-1.7%	-1.8%	0.1%
Projects	226.9	216.8	4.7%	-2.2%	6.9%	0.9%	6.0%

** Revenue change in local currencies, excluding the impact of acquisitions and divestments but including the change in the revenue of the acquired businesses post-acquisition*

January–December

Revenue was EUR 2,490.9 (2,352.1) million and increased by 5.9 percent compared to the previous year. At the previous year's exchange rates, revenue would have been EUR 2,578.3 million, an increase of 9.6 percent compared to the previous year. Organic growth was 5.6 percent.

Revenue was negatively impacted by fluctuations in currency exchange rates of EUR 87.4 million, equalling a decrease of 3.7 percent. Changes in Swedish krona had a negative effect of EUR 39.8 million and Norwegian krone had a negative effect of EUR 47.8 million. Acquisitions and divestments impacted revenue by 4.1 (2.2) percent.

Excluding the effects of exchange rates, revenue increased in Sweden, Finland, Germany, Norway, Austria and Denmark and decreased in Industry. Organic growth was strong especially in divisions Denmark and Sweden.

Revenue of the Services business unit increased and was EUR 1,620.6 (1,570.1) million in January–December, an increase of 3.2 percent, or 7.3 percent in local currencies. Revenue of the Projects business unit was EUR 870.5 (782.0) million, an increase of 11.3 percent, or 14.2 percent in local currencies. The Services business unit accounted for 65.1 (66.8) percent of Group revenue, and the Projects business unit for 34.9 (33.2) percent of Group revenue.

Revenue by business unit 1-12/2023
% of revenue

Revenue by division 1-12/2023
% of revenue

EUR million	1-12/23	1-12/22	Change	Currency impact	Change in comparable rates	Organic growth*	Acquisitions/ divestments impact
Sweden	499.4	455.0	9.8%	-8.7%	18.5%	17.9%	0.6%
Finland	444.6	431.9	2.9%		2.9%	0.6%	2.3%
Germany	437.6	406.0	7.8%		7.8%	7.8%	
Norway	364.6	368.5	-1.1%	-13.0%	11.9%	10.3%	1.6%
Industry	271.7	285.5	-4.8%	0.1%	-5.0%	-18.2%	13.2%
Austria	260.6	237.0	9.9%		9.9%	5.4%	4.6%
Denmark	165.2	122.1	35.2%	-0.2%	35.4%	19.2%	16.3%
Baltic countries	47.3	46.0	2.8%		4.0%	4.0%	
Group, total	**2,490.9**	**2,352.1**	**5.9%**	**-3.7%**	**9.6%**	**5.6%**	**4.1%**
Services	1,620.6	1,570.1	3.2%	-4.1%	7.3%	4.4%	3.0%
Projects	870.5	782.0	11.3%	-2.9%	14.2%	7.9%	6.3%

** Revenue change in local currencies, excluding the impact of acquisitions and divestments but including the change in the revenue of the acquired businesses post-acquisition*

Revenue, EUR million	10-12/23	%	10-12/22	%	Change	1-12/23	%	1-12/22	%	Change
Sweden	141.7	21.2	132.4	19.4	7.1%	499.4	20.0	455.0	19.3	9.8%
Finland	119.2	17.8	120.7	17.7	-1.2%	444.6	17.8	431.9	18.4	2.9%
Germany	115.3	17.2	112.5	16.5	2.5%	437.6	17.6	406.0	17.3	7.8%
Norway	102.9	15.4	105.0	15.4	-2.0%	364.6	14.6	368.5	15.7	-1.1%
Industry	71.5	10.7	80.5	11.8	-11.2%	271.7	10.9	285.5	12.1	-4.8%
Austria	65.8	9.8	75.1	11.0	-12.4%	260.6	10.5	237.0	10.1	9.9%
Denmark	41.5	6.2	44.2	6.5	-6.0%	165.2	6.6	122.1	5.2	35.2%
Baltic countries	12.1	1.8	12.6	1.9	-4.6%	47.3	1.9	46.0	2.0	2.8%
Group, total	**670.0**	**100**	**682.9**	**100**	**-1.9%**	**2,490.9**	**100**	**2,352.1**	**100**	**5.9%**
Services	443.1	66.1	466.2	68.3	-4.9%	1,620.6	65.1	1,570.1	66.8	3.2%
Projects	226.9	33.9	216.8	31.7	4.7%	870.5	34.9	782.0	33.2	11.3%

PROFITABILITY

Adjusted EBITA, EBITA and operating profit

October–December

Adjusted EBITA for October–December increased to EUR 44.0 (38.7) million, or 6.6 (5.7) percent of revenue and EBITA increased to EUR 28.7 (24.6) million, or 4.3 (3.6) percent of revenue.

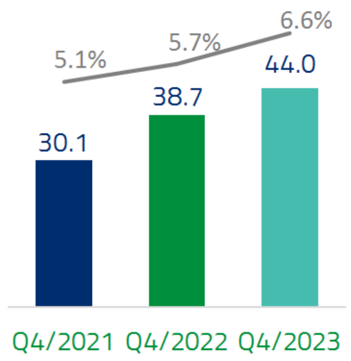
Adjusted EBITA improved especially in divisions Germany, Sweden and Finland. Adjusted EBITA improved both in Services and Projects. The devaluation of the Swedish krona and the Norwegian krone had a negative impact on adjusted EBITA of approximately EUR 1.4 million.

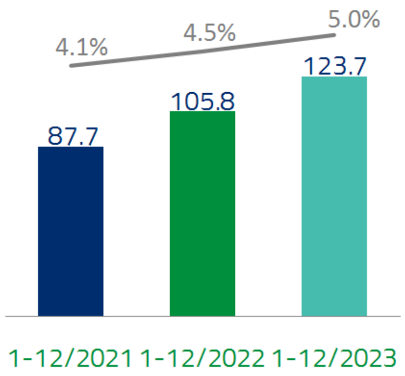
Operating profit (EBIT) for October–December was EUR 24.9 (20.0) million, or 3.7 (2.9) percent of revenue.

Costs related to materials and supplies decreased to EUR 164.2 (183.4) million and external services increased to EUR 137.4 (136.9) million in October–December. Personnel expenses increased to a total of EUR 257.8 (249.0) million for October–December. Other operating expenses amounted to EUR 66.4 (74.3) million. Other operating income amounted to EUR 0.5 (0.5) million.

Depreciation, amortisation and impairment amounted to EUR 19.9 (19.8) million in October–December. Of these EUR 16.1 (15.1) million were depreciations on tangible assets and EUR 3.8 (4.7) million amortisations on intangible assets. Of the depreciations, the majority related to right-of-use assets in accordance with IFRS 16 amounting to EUR 14.3 (13.3) million and EUR 1.8 (1.8) million related to machinery and equipment and other tangible assets. The amortisations were related to allocated intangibles on acquisitions amounting to EUR 2.4 (1.8) million as well as IT and developed solutions amounting to EUR 1.4 (2.9) million.

Adjusted EBITA and margin
(EUR million)





January–December

Adjusted EBITA for January–December increased to EUR 123.7 (105.8) million, or 5.0 (4.5) percent of revenue and EBITA increased to EUR 93.2 (86.1) million, or 3.7 (3.7) percent of revenue.

Adjusted EBITA improved during the period despite the devaluation of Swedish krona and the Norwegian krone, which had a negative impact of approximately EUR 4.4 million. Increased costs of materials and external services were successfully covered in pricing. Adjusted EBITA improved both in Services and Projects. Especially divisions Denmark, Germany, Sweden and Austria progressed well. **EBITA** was negatively impacted by the cost reimbursement of EUR 10.0 million to the Bain Consortium booked in Q2/2023 and other transaction costs related to the public tender offers totalling EUR 10.2 million.

Operating profit (EBIT) for January–December was EUR 77.2 (69.9) million, or 3.1 (3.0) percent of revenue.

Costs related to materials and supplies increased to EUR 639.5 (615.4) million and external services increased to EUR 483.1 (446.0) million in January–December. Personnel expenses increased to a total of EUR 964.0 (923.6) million for January–December. Other operating expenses increased to EUR 252.4 (226.1) million. Other operating income amounted to EUR 2.3 (2.3) million.

Depreciation, amortisation and impairment amounted to EUR 77.1 (73.5) million in January–December. Of these EUR 61.0 (57.2) million were depreciations on tangible assets and EUR 16.1 (16.2) million amortisations on intangible assets. Of the depreciations, the majority related to right-of-use assets in accordance with IFRS 16 amounting to EUR 54.1 (51.0) million and EUR 6.9 (6.2) million related to machinery and equipment and other tangible assets. The amortisations were related to allocated intangibles on acquisitions amounting to EUR 9.5 (5.9) million as well as IT and developed solutions amounting to EUR 6.6 (10.3) million.

Adjusted EBITA and items affecting comparability (IAC)

October–December

Transaction costs related to acquisitions totalled EUR 0.3 (1.3) million in October–December. Restructuring costs amounted to EUR 4.2 (0.0) million. Other items totalled EUR 10.8 (8.8) million and included e.g. advisory and personnel costs related to the public tender offers.

January–December

Transaction costs related to acquisitions totalled EUR 1.6 (5.4) million in January–December and restructuring costs amounted to EUR 5.6 (1.1) million. Other items totalled EUR 23.3 (9.2) million and included e.g. advisory and personnel costs related to the public tender offers in the amount of EUR 20.2 million. In the second quarter of 2023, a EUR 10.0 million cost was recognised in relation to the termination of the Combination Agreement with the Bain Consortium. The cost reimbursement was paid during the third quarter.

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 2023 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 2022, major risk projects included only one old risk project in Germany reported under category (2). In 2022 and 2023, provisions and legal and other costs for civil claims related to the German anti-trust matter were reported under category (4). Category (4) included also costs related to the submitted public tender offers in 2022 and 2023.

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.

EUR million	10-12/2023	10-12/2022	1-12/2023	1-12/2022
EBITA	28.7	24.6	93.2	86.1
EBITA margin, %	4.3	3.6	3.7	3.7
Items affecting comparability (IAC)				
- Capital gains and/or losses and transaction costs related to divestments and acquisitions	0.3	1.3	1.6	5.4
- Write-downs, expenses and income from major risk projects*		4.0		4.0
- Restructuring costs	4.2	0.0	5.6	1.1
- Other items	10.8	8.8	23.3	9.2
- Costs related to public tender offers**	7.7	2.5	20.2	2.5
- Costs related to other items***	3.1	6.3	3.1	6.7
Adjusted EBITA	44.0	38.7	123.7	105.8
Adjusted EBITA margin, %	6.6	5.7	5.0	4.5

** Major risk projects included only one old risk project in Germany during 2022.*
*** In 2022 and 2023, other items included advisory and personnel costs related to the submitted public tender offers. A EUR 10.0 million cost was recognised for the reimbursement of expenses to the Bain Consortium in relation to the termination of the Combination Agreement.*
**** In 2022 and 2023, other items also included provisions and legal and other costs for civil claims related to the German anti-trust matter.*

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

Result before taxes amounted to EUR 60.5 (60.9) million, result for the period to EUR 33.1 (46.2) million, and earnings per share to EUR 0.24 (0.32) in January–December. Net financing expenses in January–December were EUR 16.6 (9.0) million. This includes an interest cost on lease liabilities amounting to EUR 5.6 (4.1) million. In January-December 2022, net finance expenses included one-off exchange settlement cost related to bond refinancing amounting to EUR 1.2 million.

The Group's effective tax rate increased to 45.4 (24.1) percent in January–December 2023. The comparable effective tax rate, without the impact of change of control related (due to Triton take-over) tax asset revaluation, decreased to 14.4 percent. This was mainly due to profitability improvement in subsidiaries with carry-forward tax losses. Income taxes in the income statement amounted to EUR 27.5 (14.7) million.

CAPITAL EXPENDITURE, ACQUISITIONS AND DISPOSALS

Gross capital expenditure on non-current assets (excluding capital expenditure on leased assets), including acquisitions, totalled EUR 43.1 (112.8) million in January–December, representing 1.7 (4.8) percent of revenue. Investments in information technology totalled EUR 5.3 (8.5) million representing 0.2 (0.4) percent of revenue. IT investments continued to be focused on building and enhancement of common application and infrastructure platforms. Investments in acquisitions amounted to EUR 31.4 (98.8) million and other investments to EUR 6.4 (5.5) million.

On 1 February 2023, Caverion closed an agreement to acquire TM Voima Group’s substation and power transmission line business in Finland and Estonia by acquiring the shares of TMV Service Oy, TMV Line Oy and TMV Power OÜ. The acquisition strengthened Caverion’s presence in the energy sector and enables growth especially in the substation business. In 2022, the revenue of TM Voima Group’s substation and transmission line business amounted to EUR 47.7 million and the number of employees at the time of the acquisition was 74. The purchase price was not disclosed.

In March 2023, Caverion signed a small asset purchase agreement to acquire St1 Lähienergia's geothermal heating installation and project management unit in Finland. The acquisition was closed on 3 April 2023 and transferred the unit's nine employees, their working tools and material stock to Caverion. The acquisition is a part of a cooperation agreement between Caverion and St1 in the area of geothermal projects for large-scale buildings. The purchase price was not disclosed.

On 1 June 2023, Caverion closed an agreement to acquire the shares of the Swedish CRC Clean Room Control AB. CRC provides specialised measurement services for clean rooms. The acquisition strengthened Caverion's measurement and validation expertise especially for advanced clean rooms within the pharmaceutical industry. The company had 5 employees at the time of the acquisition and its revenue amounted to EUR 1.1 million in 2022. The purchase price was not disclosed.

On 1 July 2023, Caverion closed an agreement to acquire the shares of the Norwegian VVS Teknikk Møre AS. VVS Teknikk specialises in ventilation, piping and building automation related services and projects and the company had approx. 35 employees at the time of the acquisition. The company’s revenue for the year 2022 amounted to EUR 7.8 million. The acquisition strengthened Caverion's service capacity and expertise in Norway's Sunnmøre region. The purchase price was not disclosed.

On 29 June 2023, Caverion signed an agreement to acquire Kiwa Inspecta's building services and consultancy unit in Finland. The transaction was closed on 1 September 2023. Kiwa's building services and consultancy provides services related to building condition surveys, consisting of field services and assessments to buildings, structures, and HVAC systems. The acquisition supports Caverion's sustainable growth strategy and expands Caverion's expertise in advisory services in Finland. The acquired unit employs 50 experts and its revenue for the year 2022 amounted to EUR 3.8 million. The purchase price was not disclosed.

On 16 December 2023, Caverion sold the CalVan business in Sweden to C. Persson Hyrmaskiner AB. The sale of business did not have a material effect on Caverion's profitability. The transaction price was not disclosed.

More information on Caverion’s acquisitions in the review period can be found in Note 5 on page 31 to this Financial Statement Release.

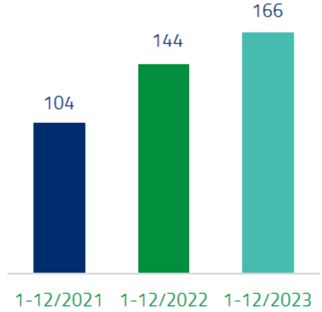
CASH FLOW, WORKING CAPITAL AND FINANCING

In October–December, the Group's operating cash flow before financial and tax items improved to EUR 132.3 (106.9) million. The Group's free cash flow improved to EUR 123.8 (88.1) million. Cash flow after investments was EUR 109.1 (86.2) million.

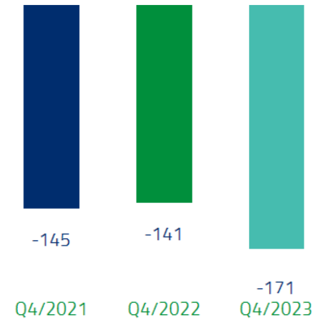
The Group's operating cash flow before financial and tax items improved to EUR 165.9 (144.3) million in January–December and cash conversion (LTM) was 107.5 (100.6) percent. The period's cash flow was negatively impacted by the tender offer related costs of EUR 17.2 million as well as by a payment of EUR 6.5 million for civil claims relating to the German anti-trust matter.

The Group's free cash flow improved to EUR 111.6 (32.9) million. Cash flow after investments was EUR 87.1 (23.4) million. The Group's working capital improved to EUR -170.8 (-141.4) million at the end of December.

Operating cash flow before financial and tax items
(EUR million)



Working capital
(EUR million)



At the end of December, the Group's **working capital** was affected by the following items: The amount of trade and POC receivables decreased to EUR 606.1 (611.2) million, other current receivables decreased to EUR 30.2 (31.6) million and inventories decreased to EUR 19.4 (22.3) million. On the liabilities side, advances received decreased to EUR 273.2 (286.2) million, other current liabilities increased to EUR 322.7 (293.3) million and trade and POC payables increased to EUR 230.7 (227.1) million.

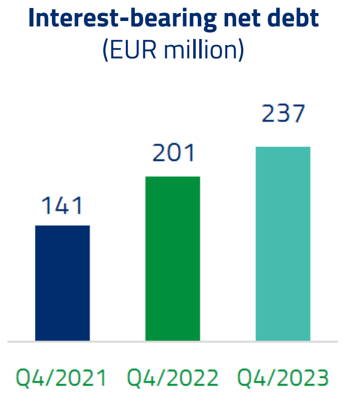
Working capital	Dec 31, 2023	Dec 31, 2022
Inventories	19.4	22.3
Trade and POC receivables	606.1	611.2
Other current receivables	30.2	31.6
Trade and POC payables	-230.7	-227.1
Other current liabilities	-322.7	-293.3
Advances received	-273.2	-286.2
Working capital	**-170.8**	**-141.4**

Caverion's **cash and cash equivalents** amounted to EUR 41.5 (81.2) million at the end of December. In addition, Caverion had undrawn revolving credit facilities amounting to EUR 48.7 million and undrawn overdraft facilities amounting to EUR 41.2 million.

The Group's gross **interest-bearing loans and borrowings excluding lease liabilities** amounted to EUR 132.0 (144.6) million at the end of December, and the average effective interest rate was 7.4 (3.0) percent. Approximately 39 percent of the loans have been raised from banks and other financial institutions and approximately 61 percent from capital markets. Caverion has issued commercial papers to support sufficient liquidity. At the end of December, the outstanding commercial papers amounted to EUR 9.9 million. Lease liabilities amounted to EUR 146.3 (137.5) million at the end of December 2023, resulting to total gross interest-bearing liabilities of EUR 278.3 (282.0) million.

The Group's interest-bearing net debt excluding lease liabilities amounted to EUR 90.4 (63.4) million at the end of December and including lease liabilities to EUR 236.8 (200.9) million. Net debt was impacted by investments in acquisitions with a negative cash flow effect of EUR 29.7 million in January–December 2023 as well as the EUR 35 million redemption of the Hybrid bond in May 2023.

At the end of December, the Group's gearing was 134.8 (89.1) percent and the equity ratio 15.6 (19.8) percent. Equity ratio was also negatively impacted by the full repayment of the EUR 35 million hybrid bond.



In March, Caverion repaid the remaining part of the EUR 75 million senior unsecured bond issued in 2019 according to its terms and conditions which totalled EUR 3.5 million following the tender offer in February 2022.

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 was 6.75 percent per annum until 15 May 2023. Caverion announced on 14 April 2023 that it will exercise its right to redeem its EUR 35 million hybrid bond. The hybrid bond was redeemed in full on 15 May 2023 in accordance with its terms and conditions.

Caverion has on 31 October 2023 become an additional borrower in Senior Facilities Agreement (SFA) executed between Crayfish BidCo Oy and a group of banks. The new facility consists of term loan facility of EUR 410 million, revolving credit facility of EUR 75 million and committed guarantee facility of EUR 65 million. The term loan facility has a termination date in three years following the acquisition closing date on 31 October 2023, whereas revolving credit facility and guarantee facility have termination dates in two years and nine months following the acquisitions closing date. The term loan facility has been allocated partly to purchase Caverion shares and partly to repay the existing debt outstanding on 31 October 2023. Caverion has converted EUR 26.2 million of the revolving credit facilities into committed bank overdrafts.

Following the change of control, Caverion has prepaid its EUR 50 million term loan and cancelled the unutilised EUR 100 million revolving credit facility with initial termination date on 15 January 2025 in the end of December. Caverion has refinanced the loan with a EUR 50 million withdrawal from the new term loan facility.

As for the EUR 75 million senior unsecured bond due 25 February 2027 (“Notes”), Caverion gave a notice of change of control event on 31 October 2023. As a result of the change of control event, each holder of the Notes had the right to request that all of its Notes be repurchased. By 28 November 2023, which was the due date for repurchase instructions in respect of the Notes, the noteholders submitted valid repurchase instructions for EUR 72.1 million in principal amount of the Notes. On 29 January 2024, Caverion repurchased the Notes in respect of which noteholders have given such valid repurchase instructions at a price per Note equal to 100 per cent of their nominal principal amount together with accrued but unpaid interest. After such repurchase, the remaining outstanding aggregate principal amount of the Notes is EUR 2.9 million.

Following the accession in the SFA, parent company Caverion Oyj has become also an additional guarantor. According to terms and conditions of the SFA, the members of Caverion Group i.e. the parent company Caverion Oyj and its subsidiaries are required to provide guarantees and securities to the lenders. Those guarantees and securities may be limited in scope and substance. Guarantees and securities from subsidiaries will be delivered within 120 days of the first utilisation of any facility. The first utilisation date was 29 December 2023. The agreed security principles contain two tests that need to be fulfilled. Firstly, there is material company requirement, which includes subsidiaries contributing 5% or more of the consolidated EBITDA of the Group. Secondly, guarantor entities must together equate to over 80% of the Group EBITDA. The above requirements only apply to entities incorporated in Finland, Sweden, Norway and Denmark. Agreed security principles require a security over the shares in a material company and over material intercompany loans with a certain threshold. The total book value of such shares to be included under the securities was EUR 221,3 million on 31 December 2023. There were no material intercompany loans that meet the agreed security principles. Until Crayfish BidCo Oy owns 100% of Caverion Group, guarantee granted by the Caverion Group shall be limited to the amount of the facilities actually utilised by members of Caverion Group only, excluding the obligations of Crayfish BidCo Oy. After 100% ownership is reached, the guarantees and securities of Caverion Group will cover also Crayfish BidCo Oy obligations, but may be limited if required to comply with relevant local regulations regarding financial assistance constraints.

Caverion’s external loans are subject to a financial covenant based on the ratio of the Group’s net debt to EBITDA on Crayfish BidCo Oy level according to the calculation principles confirmed with the lending parties. The Group is in compliance with the financial covenant.

PERSONNEL

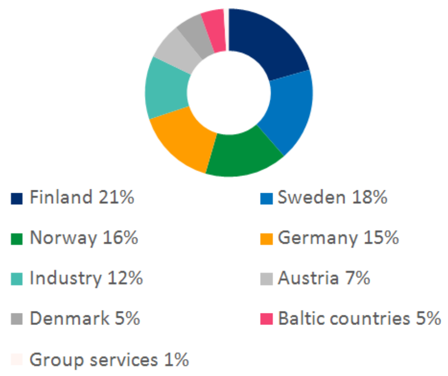
Caverion Group employed 14,748 (14,570) people on average in January–December 2023. At the end of December, the Group employed 14,815 (14,490) people. Personnel expenses for January–December increased to EUR 964.0 (923.6) million. The increase was mainly due to acquisitions, salary inflation and higher number of employees.

The Group's accident frequency rate at the end of December was 4.1 (4.0). Caverion cares for the safety, health and wellbeing of its employees and will continue to a have high ambition and strong focus on improving them.

Personnel by division end of period	12/2023	9/2023	Change	12/2023	12/2022	Change
Finland	3,048	3,036	0%	3,048	2,894	5%
Sweden	2,665	2,647	1%	2,665	2,559	4%
Norway	2,364	2,383	-1%	2,364	2,344	1%
Germany	2,277	2,278	0%	2,277	2,225	2%
Industry	1,813	1,825	-1%	1,813	1,850	-2%
Austria	1,040	1,053	-1%	1,040	1,023	2%
Denmark	789	778	1%	789	759	4%
Baltic countries	669	701	-5%	669	666	0%
Group Services	150	152	-1%	150	170	-12%
Group, total	14,815	14,853	0%	14,815	14,490	2%

Information on the effect of acquisitions on Group personnel can be found on page 31.

Personnel by division
at the end of December 2023



CHANGES IN CAVERION'S GROUP MANAGEMENT BOARD AND ORGANISATION STRUCTURE

Kari Sundbäck, Executive Vice President, Services, Solutions, Digital and Sustainability, and Michael Kaiser, Executive Vice President, Projects, stepped down from their positions as members of the Group Management Board as of 24 May 2023 and 18 December 2023, respectively.

Jaakko Wacklin was appointed as Executive Vice President, Operational Performance and Excellence and a member of the Group Management Board of Caverion Corporation as of 24 May 2023. He reports to Jacob Götzsche, President and CEO. Wacklin has worked at Caverion and its predecessor companies for over 15 years, having most recently held the position of Group Head of Services Business.

Caverion appointed Liisa Vasben as Interim Head of Group Human Resources and Safety as of 24 May 2023 after the resignation of Minna Schrey-Hyppänen, Executive Vice President, Human Resources and Safety. Elina Kaura was appointed as Group Head of Legal & Compliance, Group General Counsel and a member of the Group Management Board of Caverion Corporation as of 9 February 2023. Elina Kaura replaced Anne Viitala, who subsequently continued as Senior Advisor reporting to President & CEO Jacob Götzsche until her retirement on 30 November 2023.

SIGNIFICANT SHORT-TERM RISKS AND UNCERTAINTIES

There have been no material changes in Caverion's significant short-term risks and uncertainties reported in the Interim Report Q3/2023. Those risks and uncertainties are still valid. The most significant factor creating uncertainty are the conflicts in Ukraine and recently also in the Middle East as well as their potential implications on the operating environment of Caverion. The impacts of the war on Caverion's business have been described earlier in this report under "Operating environment" on page 5. Further escalation or prolongation of the conflicts or regional unrest in neighbouring areas could negatively affect Caverion's operating environment.

The short-term risks related to the lack of availability of materials and supply as well as the increase in material prices are still valid. The same applies to the risk of rising energy and fuel prices. Possible problems with the availability and cost of materials, labour, energy and fuel may impact the operating environment in the near future. These risks have already partly materialised. Also wage inflation has gradually increased. The key measures how Caverion is managing the situation include price increase clauses in tenders and agreements covering these costs.

The elevated inflation in the EU countries poses several risks and may lead to a recession within the EU and also wider. The situation may have an impact on the market demand going forward due to a weakening economic sentiment. The potential risk is balanced by the growing need for energy efficiency in the built environment where Caverion is able to support its customers.

Cyber risks have increased, among others, due to the Ukraine crisis. There have been concrete cases of cyber-attacks on business enterprises and government authorities. Government authorities have warned of an increasing number of cyber-attacks. Caverion has improved the company's cyber security operations and technologies continuously and is well prepared against cyber security threats. However, it cannot be excluded that also Caverion could face cyber-attacks with potential impact on operations.

Financial risks have been described in more detail in the financial tables of this report under Note 7 "Financial risk management" on page 33.

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

RESOLUTIONS PASSED AT THE GENERAL MEETINGS

Annual General Meeting 2023

Caverion Corporation's Annual General Meeting, which was held on 27 March 2023 in Helsinki, adopted the Financial Statements and the consolidated Financial Statements for the year 2022 and discharged the members of the Board of Directors and the President and CEOs from liability. In addition, the Annual General Meeting resolved on the use of the profit shown on the balance sheet and the payment of dividend, the approval of the presented Remuneration Report for Governing Bodies, on the composition of members of the Board of Directors and their remuneration, also including a one-off retroactive additional fee to be paid to the Chairman and the members of the ad hoc Tender Offer Committee, 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 also decided to amend the Company's Articles of Association to enable holding a General Meeting in Espoo or Vantaa in addition to the Company's registered domicile or completely without a meeting venue as a so-called remote meeting.

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. The stock exchange release on the resolutions passed at the Annual General Meeting is available on Caverion's website.

The Board of Directors held its organisational meeting on 27 March 2023. 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.

The Vice Chairman of the Board and Chairman of the Audit Committee, Markus Ehrnrooth was closely associated with two of the members of the Bain Consortium which made the initial Tender Offer for Caverion announced on 3 November 2022. To avoid any actual or perceived conflicts of interests, Markus Ehrnrooth did not participate in and refrained from all the work of the Board and its committees after the Assembly meeting of the newly elected Board held on 27 March 2023 until the end of May 2023 after the expiry of the Bain Consortium's offer on 17 May 2023 and until the completion of the Triton offer made by Crayfish BidCo Oy.

Extraordinary General Meeting 2023

Caverion Corporation's Extraordinary General Meeting, held on 15 November 2023 in Vantaa, resolved on the amendment of the Articles of Association of the Company and on the composition and remuneration of the Board of Directors.

The Extraordinary General Meeting elected Mikael Aro and Hans Petter Hjellestad as ordinary members of the Board of Directors and Gustaf Behmer as deputy member of the Board of Directors. The new Board of Directors held its constitutive meeting immediately after the Extraordinary General Meeting and decided on the composition of the Human Resources Committee and the Audit Committee. The stock exchange release on the resolutions passed at the Extraordinary General Meeting is available on Caverion's website.

DIVIDENDS AND DIVIDEND POLICY

The Board of Directors proposes to the Annual General Meeting to be held on 12 June 2024 that no dividend will be paid for the year 2023.

The Annual General Meeting, held on 27 March 2023, approved the proposal of the Board of Directors according to which a dividend of EUR 0.20 per share was paid from the distributable funds of the company for the financial year 2022. The dividend was paid to shareholders who on the record date of the dividend payment 29 March 2023 were recorded in the shareholders' register held by Euroclear Finland Oy. The dividend was paid on 5 April 2023.

Caverion's dividend policy is to distribute as dividends at least 50 percent of the result for the year after taxes, however, taking 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

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 2023. Caverion held 2,447,447 treasury shares on 1 January 2023. At the end of the reporting period, the total number of shares in Caverion was 138,920,092. Caverion held 1,873,825 treasury shares on 31 December 2023, representing 1.35 percent of the total number of shares and voting rights. The number of shares outstanding was 137,046,267 at the end of December 2023.

The Board of Directors of Caverion Corporation decided on a directed share issue without payment for the fourth and final instalment of the company's Matching Share Plan 2018–2022 reward payments, as described in a stock exchange release published on 27 April 2023. 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 27 March 2023. In the directed share issue without payment, 164,658 company shares held by the company were on 27 April 2023 conveyed to 13 key employees in accordance with the terms and conditions of the plan. No new shares were issued in connection with the plan. Prior to the directed share issue, the company held a total of 2,038,483 treasury shares, of which 1,873,825 treasury shares remained with the company after the conveyance.

The Board of Directors of Caverion Corporation decided on a directed share issue without payment for Caverion's Performance Share Plan 2020-2022 and Restricted Share Plan 2020-2022 reward payment, as described in a stock exchange release published on 17 March 2023. In the directed share issue without payment, 408,964 Caverion Corporation shares held by the company were on 28 March 2023 conveyed to 92 key employees according to the terms and conditions of the plans. No new shares were issued in connection with the plans and therefore the plans 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 28 March 2022. Prior to the directed share issue, Caverion held a total of 2,447,447 treasury shares, of which 2,038,483 treasury shares remained with the company after the conveyance.

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 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.

Based on the management's judgement, Caverion estimated the effect of the public tender offer and other available information on the share-based incentive plans and their classification in Q3/2023 reporting. Following the completion of the public tender offer, Caverion's equity-settled share-based incentive plans will be settled in cash based on the agreement between Caverion and Crayfish BidCo Oy. As a result, the accounting treatment of Caverion's outstanding equity-settled share-based incentives was changed in the third quarter of 2023 and a modification from equity-settled to cash-settled classification in accounting under IFRS 2 Share-based Payment was made for all remaining share-based incentive plans.

Additional information can be found in Crayfish BidCo Oy's tender offer document published on 7 March 2023 as well as later supplements. More information on the share-based incentive plans has been published in stock exchange releases.

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 27 March 2023, 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 will be repurchased and/or accepted as pledge. Repurchase of own shares may be made using, inter alia, derivatives. The 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 cancelled the authorisation given by the Annual General Meeting on 28 March 2022 to decide on the repurchase and/or acceptance as pledge of the company's own shares. The authorisation is valid until 27 September 2024. 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 148,652 Caverion Corporation shares as a pledge at the end of the reporting period on 31 December 2023.

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

The Annual General Meeting of Caverion Corporation, held on 27 March 2023, 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 authorisation 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 authorisation 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 authorisation 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 authorisation cancelled the authorisation given by the Annual General Meeting on 28 March 2022 to decide on the issuance of shares. The authorisation is valid until the end of the next Annual General Meeting, however no later than 30 June 2024.

The Board of Directors has used the current authorisation to decide on share issues during the period. The decision on the directed share issue without payment published on 27 April 2023 described under "Share capital and number of shares" was based on the current authorisation, while the decision on the directed share issue without payment published on 17 March 2023 was based on the previous authorisation.

Trading in shares

The closing price of Caverion's share was EUR 6.93 at the end of the year 2022. The closing rate on the last trading day of the review period on 31 December 2023 was EUR 8.60. The share price increased by 24 percent during January–December. The highest price of the share during the review period January–December was EUR 9.07, the lowest was EUR 6.93 and the average price was EUR 8.58. Share turnover on Nasdaq Helsinki in January–December amounted to 127.3 million shares. The value of share turnover was EUR 1,091.6 million (source: Nasdaq Helsinki). Caverion's shares are also traded in other marketplaces, such as Cboe and Turquoise.

The market capitalisation of the Caverion Corporation at the end of the review period was EUR 1,178.6 million. Market capitalisation has been calculated excluding the 1,873,825 shares held by the company as per 31 December 2023.

Public tender offers for the shares in Caverion Corporation

A consortium of investors led by Bain Capital announced in the name of North Holdings 3 Oy on 3 November 2022 a public tender offer to the shareholders of Caverion. The Board of Directors of Caverion, represented by a quorum comprising the non-conflicted members of the Board of Directors, then unanimously decided to recommend that the shareholders of Caverion accept the tender offer. More information can be found in the stock exchange releases published by Caverion as well as in the tender offer document published on 24 November 2022 with supplements.

Crayfish BidCo Oy, a Finnish company controlled by Triton Fund V, announced on 10 January 2023 a competing public cash tender offer for all the shares in Caverion Corporation. More information can be found in the stock exchange releases published by Caverion as well as in the tender offer document published on 7 March 2023 with supplements.

The Board of Directors of Caverion Corporation announced on 5 April 2023 that the Bain Consortium's right to match period expired on 4 April 2023 without any improvements announced in the terms of the Bain Consortium Offer. Consequently, the Board decided to withdraw its recommendation for the Bain Consortium Offer and instead unanimously recommend the Triton Offer. Caverion entered on 5 April 2023 into a co-operation agreement with Triton, in which Caverion and Triton undertake to, among other things, assist and cooperate with each other in relation to consummation of the Triton Offer. Furthermore, Caverion also terminated the combination agreement signed on 3 November 2022 with the Bain Consortium (as amended on 24 January 2023, the "Combination Agreement"). According to the Combination Agreement, if the Combination Agreement is terminated by either party as a result of the Board withdrawing, modifying, cancelling or amending its recommendation for the Bain Consortium Offer, Caverion shall reimburse to the Bain Consortium any and all of its documented out-of-pocket expenses and costs incurred in connection with the Combination Agreement and the Bain Consortium Offer, up to the maximum amount of EUR 10,000,000 in the aggregate. The cost coverage does not have an impact on the Triton Offer. Additional information has been presented in Caverion's stock exchange releases on 5 April 2023. As a result, EUR 10.0 million cost for the reimbursement of expenses related to the termination was booked in the second quarter of 2023 and paid during the third quarter of 2023.

North Holdings 3 Oy confirmed on 24 May 2023 that it will not complete its tender offer. North Holdings 3 Oy further stated that have been taken to either make or refrain from making a new tender offer at a later point in time. Additional information has been presented in Caverion's stock exchange release on 24 May 2023.

On 24 July 2023, Crayfish BidCo Oy provided updated information on the merger control clearance processes and also extended the offer period under the tender offer for all shares in Caverion Corporation until 2 October 2023.

On 31 August 2023, Crayfish BidCo Oy announced that it had on that day received unconditional merger control clearance for the Tender Offer from the European Commission.

On 29 September 2023, Crayfish BidCo Oy announced that it extends the offer period under its tender offer for Caverion Corporation until 1 November 2023. The completion of the Tender Offer was conditional on, among others, the receipt of all necessary regulatory approvals, including merger control clearance.

On 18 October 2023, Crayfish BidCo Oy announced that it had agreed conditional purchases of further Caverion shares which will, after the Finnish Competition and Consumer Authority ("FCCA") approval, increase its shareholding to approximately 67.77 percent in Caverion and consequently fulfil the acceptance condition under tender offer. Crayfish BidCo Oy furthermore announced that the FCCA had issued a conditional merger control clearance decision concerning the Tender Offer. The Clearance Decision was conditional on the Offeror procuring the divestment of a certain geographically limited building automation business unit in Finland to a purchaser fulfilling certain criteria set out in the Clearance Decision and approved by the FCCA.

On 24 October 2023, Crayfish BidCo Oy declared its public cash tender offer for Caverion unconditional as it had received all necessary regulatory approvals and secured the fulfilment of the minimum acceptance condition of more than two-thirds (2/3) of all shares under the tender offer. The settlement of conditional share purchases took place on 31 October 2023, which constituted a change of control event as Crayfish BidCo Oy's holding of the shares and voting rights in Caverion increased to approximately 67.82 percent of all outstanding shares (excluding treasury shares) in Caverion.

On 2 November 2023, Crayfish BidCo Oy announced preliminary results of the public tender offer, the acceptance period of which expired on 1 November 2023. Based on the preliminary result, the shares validly tendered represented approximately 94.30 percent in aggregate of all the issued and outstanding shares and votes in Caverion.

On 6 November 2023, Crayfish BidCo Oy announced final results of the public tender offer. Based on the final result of the tender offer, the shares validly tendered a represented approximately 94.39 percent in aggregate of all the issued and outstanding shares and votes in Caverion.

On 28 November 2023, Crayfish BidCo Oy announced that it will commence redemption proceedings in respect of the remaining minority shares in Caverion Corporation. The redemption price for the remaining shares was set at EUR 8.75 per share, which corresponds to the offer price per share paid by the offeror in the tender offer.

On 15 December 2023, Caverion announced that professor Kari Hoppu was appointed as trustee for the arbitral proceedings concerning the redemption of minority shares in Caverion Corporation.

More information in Note 10 "Events after the review period" on page 36.

Number of shareholders and flagging notifications

At the end of December 2023, the number of registered shareholders in Caverion was 11,511 (9/2023: 18,929). At the end of December 2023, a total of 0.1 percent (9/2023: 18.4 percent) of the shares were owned by nominee-registered and 1.4 percent by non-Finnish investors (9/2023: 14.1 percent).

On 27 November 2023, Caverion received an announcement under Chapter 9, Section 5 of the Finnish Securities Markets Act, according to which the holding of Crayfish BidCo Oy ("Crayfish BidCo", a company ultimately owned by Crayfish TopCo SARL based in Luxembourg) exceeded the threshold of 90 percent on 27 November 2023. According to the announcement, the direct holding of Crayfish BidCo Oy in Caverion increased to 129,361,829 shares, corresponding to 93.12 percent of Caverion's shares and voting rights. The indirect holding of Crayfish TopCo SARL in Caverion increased to 129,361,829 shares, corresponding to 93.12 percent of Caverion's shares and voting rights.

On 25 October 2023, Caverion received announcements under Chapter 9, Section 5 of the Finnish Securities Markets Act, according to which the holding of Antti Herlin, Security Trading Oy, Hisra Consulting and Finance Oy, Fennogens Investments S.A. and Varma Mutual Pension Insurance Company decreased below the threshold of 5 percent on 24 October 2023. According to the announcements, the direct holding of these shareholders decreased to 0 shares, corresponding to 0.00 percent of Caverion's shares and voting rights. The announced decrease in shareholding was based on share disposals, which were completed on 31 October 2023.

On 24 October 2023, Caverion received an announcement under Chapter 9, Section 5 of the Finnish Securities Markets Act, according to which the holding of Crayfish BidCo Oy (a company ultimately owned by Triton V LuxCo 87 SARL based in Luxembourg) in Caverion's shares had exceeded the threshold of two thirds. According to the announcement, the holding exceeded the threshold on 24 October 2023 and the direct holding of Crayfish BidCo Oy in Caverion increased to 92,946,868 shares, corresponding to 66.91 percent of Caverion's shares and voting rights. The indirect holding of Triton V LuxCo 87 SARL in Caverion increased to 92,946,868 shares, corresponding to 66.91 percent of Caverion's shares and voting rights. The announced increase in shareholding was based on share acquisitions, which upon completion resulted in the direct holding of Crayfish BidCo Oy and the indirect holding of Triton V LuxCo 87 SARL exceeding the two thirds threshold in the manner provided for in Chapter 9, Section 5 of the Finnish Securities Markets Act. Such share acquisitions were completed on 31 October 2023.

Caverion Corporation received on 14 June 2023 an announcement under Chapter 9, Section 5 of the Finnish Securities Markets Act, according to which the holding of Crayfish BidCo Oy ("Crayfish BidCo", a company ultimately owned by Triton V LuxCo 87 SARL based in Luxembourg) had exceeded the threshold of 25 per cent. According to the announcement, the holding exceeded the threshold on 13 June 2023. According to the announcement, the direct holding of Crayfish BidCo Oy in Caverion had increased to 40,941,792 shares, corresponding to 29.47 per cent of Caverion's shares and voting rights. The indirect holding of Triton V LuxCo 87 SARL in Caverion had increased to 40,941,792 shares, corresponding to 29.47 per cent of Caverion's shares and voting rights.

Caverion Corporation received on 12 April 2023 an announcement under Chapter 9, Section 5 of the Finnish Securities Markets Act, according to which the holding of Crayfish BidCo Oy ("Crayfish BidCo", a company ultimately owned by Triton V LuxCo 87 SARL based in Luxembourg) had exceeded the threshold of 20 per cent. According to the announcement, the holding exceeded the threshold on 11 April 2023. According to the announcement, the direct holding of Crayfish BidCo Oy in Caverion had increased to 33,304,907 shares, corresponding to 23.97 per cent of Caverion's shares and voting rights. The indirect holding of Triton V LuxCo 87 SARL in Caverion had increased to 33,304,907 shares, corresponding to 23.97 per cent of Caverion's shares and voting rights.

Caverion Corporation received on 12 January 2023 an announcement under Chapter 9, Section 5 of the Finnish Securities Markets Act, according to which the holding of Crayfish BidCo Oy ("Crayfish BidCo", a company ultimately owned by Triton V LuxCo 87 SARL based in Luxembourg) had exceeded the threshold of 5 per cent. According to the announcement, the direct holding of Crayfish BidCo Oy in Caverion increased on 12 January 2023 to 13,647,263 shares, corresponding to 9.82 per cent of Caverion's shares and voting rights. The indirect holding of Triton V LuxCo 87 SARL in Caverion increased to 13,647,263 shares, corresponding to 9.82 per cent of Caverion's shares and voting rights.

Updated lists of Caverion's largest shareholders and ownership structure by sector as per 31 December 2023, are available on Caverion's website at www.caverion.com/investors.

BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF DISTRIBUTABLE EQUITY

Distributable equity of the parent company Caverion Corporation on 31 December 2023 (EUR)	
Retained earnings	26,328,931.02
Result for the period	4,681,368.67
Retained earnings, total	**31,010,299.69**
Unrestricted equity reserve	66,676,176.49
Distributable equity, total	**97,686,476.18**

The Board of Directors proposes to the Annual General Meeting to be held on 12 June 2024 that no dividend will be paid for the year 2023.

SIGNATURE OF THE REPORT OF THE BOARD OF DIRECTORS AND FINANCIAL STATEMENTS

Helsinki, 7 February 2024

Caverion Corporation
Board of Directors

Mikael Aro
Chairman

Hans Petter Hjellestad
Member of the Board

Jacob Götzsche
President and CEO

FINANCIAL TABLES

The Financial Statement Release is based on the audited Financial Statements for 2023.

Condensed consolidated income statement

EUR million	10-12/2023	10-12/2022	1-12/2023	1-12/2022
Revenue	**670.0**	**682.9**	**2,490.9**	**2,352.1**
Other operating income	0.5	0.5	2.3	2.3
Materials and supplies	-164.2	-183.4	-639.5	-615.4
External services	-137.4	-136.9	-483.1	-446.0
Employee benefit expenses	-257.8	-249.0	-964.0	-923.6
Other operating expenses	-66.4	-74.3	-252.4	-226.1
Share of results of associated companies	0.0		0.0	0.0
Depreciation, amortisation and impairment	-19.9	-19.8	-77.1	-73.5
Operating result	**24.9**	**20.0**	**77.2**	**69.9**
% of revenue	3.7	2.9	3.1	3.0
Financial income and expense, net	-7.1	-2.1	-16.6	-9.0
Result before taxes	**17.9**	**17.9**	**60.5**	**60.9**
% of revenue	2.7	2.6	2.4	2.6
Income taxes	-17.5	-4.7	-27.5	-14.7
Result for the period	**0.4**	**13.1**	**33.1**	**46.2**
% of revenue	0.1	1.9	1.3	2.0
Attributable to				
Equity holders of the parent company	0.4	13.2	33.1	46.2
Non-controlling interests	0.0	0.0	0.0	0.0
Earnings per share attributable to the equity holders of the parent company				
holders of the parent company				
Earnings per share, undiluted, EUR	0.00	0.09	0.24	0.32
Diluted earnings per share, EUR	0.00	0.09	0.24	0.32

Consolidated statement of comprehensive income

EUR million	10-12/2023	10-12/2022	1-12/2023	1-12/2022
Result for the review period	**0.4**	**13.1**	**33.1**	**46.2**
Other comprehensive income				
Items that will not be reclassified to profit/loss:				
- Change in fair value of defined benefit pension plans	0.5	5.1	0.5	6.6
-- Deferred tax	-0.2	-2.1	-0.2	-2.1
- Change in fair value of other investments				-0.1
-- Deferred tax				
Items that may be reclassified subsequently to profit/loss:				
- Translation differences	1.9	1.0	-2.1	-3.7
Other comprehensive income, total	**2.2**	**3.9**	**-1.8**	**0.7**
Total comprehensive result	**2.6**	**17.1**	**31.3**	**46.9**
Attributable to				
Equity holders of the parent company	2.6	17.1	31.2	46.9
Non-controlling interests	0.0	0.0	0.0	0.0

Condensed consolidated statement of financial position

EUR million	Dec 31, 2023	Dec 31, 2022
Assets		
Non-current assets		
Property, plant and equipment	19.9	19.1
Right-of-use assets	141.1	132.6
Goodwill	465.3	442.5
Other intangible assets	50.3	56.4
Shares in associated companies and joint ventures	0.1	0.1
Other investments	1.1	1.1
Other receivables	4.5	8.4
Deferred tax assets	11.2	15.0
Total non-current assets	**693.5**	**675.3**
Current assets		
Inventories	19.4	22.3
Trade receivables	369.7	379.6
POC receivables	236.3	231.3
Other receivables	33.4	32.1
Income tax receivables	3.9	2.9
Cash and cash equivalents	41.5	81.2
Total current assets	**704.2**	**749.4**
Total assets	**1,397.7**	**1,424.7**

EUR million	Dec 31, 2023	Dec 31, 2022
Equity and liabilities		
Equity attributable to equity holders of the parent company		
Share capital	1.0	1.0
Hybrid capital		35.0
Other equity	174.4	189.2
Non-controlling interest	0.2	0.2
Equity	**175.7**	**225.4**
Non-current liabilities		
Deferred tax liabilities	48.0	38.5
Pension liabilities	39.7	41.9
Provisions	7.8	8.7
Lease liabilities	98.6	93.5
Other interest-bearing debts	46.9	127.8
Other liabilities	14.1	12.7
Total non-current liabilities	**255.0**	**323.1**
Current liabilities		
Advances received	273.2	286.2
Trade payables	201.9	198.5
Other payables	323.9	294.7
Income tax liabilities	5.5	6.8
Provisions	29.7	29.4
Lease liabilities	47.7	43.9
Other interest-bearing debts	85.1	16.8
Total current liabilities	**967.1**	**876.2**
Total equity and liabilities	**1,397.7**	**1,424.7**

Consolidated statement of changes in equity

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, 2023	**1.0**	**135.1**	**-9.6**	**-0.3**	**-2.0**	**66.0**	**35.0**	**225.2**	**0.2**	**225.4**
Comprehensive income										
Result for the period		33.1						33.1	0.0	33.1
Other comprehensive income:										
Change in fair value of defined benefit pension plans		0.5						0.5		0.5
-Deferred tax		-0.2						-0.2		-0.2
Translation differences			-2.1					-2.1		-2.1
Comprehensive income, total		**33.3**	**-2.1**					**31.2**	**0.0**	**31.3**
Dividend distribution		-27.4						-27.4	0.0	-27.4
Share-based payments *		-16.9						-16.9		-16.9
Hybrid capital repayment							-35.0	-35.0		-35.0
Hybrid capital interests and costs after taxes		-1.7						-1.7		-1.7
Equity on December 31, 2023	**1.0**	**122.4**	**-11.7**	**-0.3**	**-2.0**	**66.0**		**175.4**	**0.2**	**175.7**

* The change in classification under IFRS 2 Share-based payment from equity-settled to cash-settled approach decreased retained earnings by approximately EUR 13.5 million. Additional information is presented on pages 16 and 26.

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, 2022	**1.0**	**107.6**	**-6.0**	**-0.2**	**-2.4**	**66.0**	**35.0**	**201.1**	**0.3**	**201.4**
Comprehensive income										
Result for the period		46.2						46.2	0.0	46.2
Other comprehensive income:										
Change in fair value of defined benefit pension plans		6.6						6.6		6.6
-Deferred tax		-2.1						-2.1		-2.1
Change in fair value of other investments				-0.1				-0.1		-0.1
-Deferred tax										
Translation differences			-3.7					-3.7		-3.7
Comprehensive income, total		**50.7**	**-3.7**	**-0.1**				**46.9**	**0.0**	**46.9**
Dividend distribution		-23.2						-23.2	0.0	-23.2
Share-based payments		2.2						2.2		2.2
Transfer of own shares		-0.4			0.4					
Hybrid capital interests and costs after taxes		-1.9						-1.9		-1.9
Equity on December 31, 2022	**1.0**	**135.1**	**-9.6**	**-0.3**	**-2.0**	**66.0**	**35.0**	**225.2**	**0.2**	**225.4**

Condensed consolidated statement of cash flows

EUR million	10-12/2023	10-12/2022	1-12/2023	1-12/2022
Cash flows from operating activities				
Result for the period	0.4	13.1	33.1	46.2
Adjustments to result	42.3	25.8	118.8	88.7
Change in working capital	89.6	68.0	14.0	9.4
Operating cash flow before financial and	**132.3**	**106.9**	**165.9**	**144.3**
Financial items, net	-14.7	-1.9	-24.5	-9.5
Taxes paid	-5.5	-5.8	-13.3	-14.3
Net cash from operating activities	**112.0**	**99.2**	**128.0**	**120.5**
Cash flows from investing activities				
Acquisition of subsidiaries and businesses, net of cash	0.1	-11.7	-29.7	-85.3
Disposal of subsidiaries and businesses, net of cash	0.2	0.4	0.3	0.4
Dividends from equity accounted investments		1.3		1.3
Capital expenditure and other investments, net	-3.3	-3.0	-11.6	-13.5
Net cash used in investing activities	**-3.0**	**-13.0**	**-41.0**	**-97.1**
Cash flow after investing activities	**109.1**	**86.2**	**87.1**	**23.4**

EUR million	10-12/2023	10-12/2022	1-12/2023	1-12/2022
Cash flow from financing activities				
Change in loan receivables, net	0.9	0.0	3.5	0.8
Change in current liabilities, net	-67.3	-35.5	-0.4	9.9
Proceeds from borrowings	50.0		50.0	74.7
Repayments of borrowings	-51.5	-2.3	-56.7	-75.4
Repayments of lease liabilities	-14.2	-13.1	-52.9	-49.8
Hybrid capital repayment			-35.0	
Hybrid capital costs and interests			-2.2	-2.4
Dividends paid and other distribution of assets			-27.4	-23.2
Net cash used in financing activities	**-82.0**	**-50.9**	**-121.1**	**-65.4**
Change in cash and cash equivalents	**27.0**	**35.3**	**-34.0**	**-42.0**
Cash and cash equivalents at the beginning of the period	12.5	46.8	81.2	130.9
Change in the foreign exchange rates	2.0	-1.0	-5.6	-7.7
Cash and cash equivalents at the end of the period	**41.5**	**81.2**	**41.5**	**81.2**

Free cash flow

EUR million	10-12/2023	10-12/2022	1-12/2023	1-12/2022
Operating cash flow before financial and tax items	132.3	106.9	165.9	144.3
Taxes paid	-5.5	-5.8	-13.3	-14.3
Net cash used in investing activities	-3.0	-13.0	-41.0	-97.1
Free cash flow	**123.8**	**88.1**	**111.6**	**32.9**

NOTES TO THE FINANCIAL STATEMENT RELEASE

1. Accounting principles

Caverion Corporation's Financial Statement Release for 1 January – 31 December, 2023 has been prepared in accordance with IAS 34, 'Interim Financial Reporting'. The information presented in this Financial Statement Release is based on the audited Financial Statements for 2023. Caverion has applied the same accounting principles in the preparation of the Financial Statement Release as in its Financial Statements for 2023.

Based on the management's judgement, Caverion estimated the effect of the public tender offer and other available information on the share-based incentive plans and their classification in Q3/2023 reporting. Following the completion of the public tender offer, Caverion's equity-settled share-based incentive plans will be settled in cash based on the agreement between Caverion and Crayfish BidCo Oy. As a result, the accounting treatment of Caverion's outstanding equity-settled share-based incentives was changed in the third quarter of 2023 and a modification from equity-settled to cash-settled classification in accounting under IFRS 2 Share-based Payment was made for all remaining share-based incentive plans.

Following the change in Q3/2023 and later adjustment to original modification made in Q4/2023, Caverion Group's deferred tax assets increased by approximately EUR 2.5 million, equity decreased by approximately EUR 13.5 million and current liabilities increased by approximately EUR 16.0 million. The change in classification had no impact on income statement

In the Financial Statement Release the figures are presented in million euros subject to rounding, which may cause some rounding inaccuracies in column and total sums.

2. Key figures

	12/2023	12/2022
Revenue, EUR million	2,490.9	2,352.1
Organic growth, %	5.6	8.6
EBITDA, EUR million	154.3	143.4
EBITDA margin, %	6.2	6.1
Adjusted EBITDA, EUR million	184.7	163.0
Adjusted EBITDA margin, %	7.4	6.9
EBITA, EUR million	93.2	86.1
EBITA margin, %	3.7	3.7
Adjusted EBITA, EUR million	123.7	105.8
Adjusted EBITA margin, %	5.0	4.5
Operating profit, EUR million	77.2	69.9
Operating profit margin, %	3.1	3.0
Result before taxes, EUR million	60.5	60.9
% of revenue	2.4	2.6
Result for the review period, EUR million	33.1	46.2
% of revenue	1.3	2.0

	12/2023	12/2022
Earnings per share, undiluted, EUR *	0.24	0.32
Earnings per share, diluted, EUR *	0.24	0.32
Equity per share, EUR	1.3	1.6
Equity ratio, %	15.6	19.8
Interest-bearing net debt, EUR million	236.8	200.9
Gearing ratio, %	134.8	89.1
Total assets, EUR million	1,397.7	1,424.7
Operating cash flow before financial and tax items, EUR million	165.9	144.3
Cash conversion (LTM), %	107.5	100.6
Working capital, EUR million	-170.8	-141.4
Gross capital expenditures, EUR million	43.1	112.8
% of revenue	1.7	4.8
Order backlog, EUR million	1,908.7	1,943.3
Personnel, average for the period	14,748	14,570
Number of outstanding shares at the end of the period (thousands)	137,046	136,473
Average number of shares (thousands)	136,947	136,465

* Earnings per share adjusted with items related to the tender offer process was EUR 0.52 (0.34) per share.

3. Financial development by quarter

EUR million	10-12/2023	7-9/2023	4-6/2023	1-3/2023	10-12/2022	7-9/2022	4-6/2022	1-3/2022
Revenue	670.0	578.0	628.2	614.8	682.9	564.1	577.0	528.1
Organic growth, %	-0.9	2.5	8.6	13.5	14.9	11.8	4.7	2.4
EBITDA	44.8	44.5	28.0	37.0	39.8	39.3	35.8	28.5
EBITDA margin, %	6.7	7.7	4.5	6.0	5.8	7.0	6.2	5.4
Adjusted EBITDA	60.0	45.3	40.2	39.1	53.8	41.1	37.3	30.8
Adjusted EBITDA margin, %	9.0	7.8	6.4	6.4	7.9	7.3	6.5	5.8
EBITA	28.7	28.9	13.2	22.4	24.6	25.1	21.4	15.0
EBITA margin, %	4.3	5.0	2.1	3.6	3.6	4.5	3.7	2.8
Adjusted EBITA	44.0	29.7	25.5	24.5	38.7	26.9	22.9	17.4
Adjusted EBITA margin, %	6.6	5.1	4.1	4.0	5.7	4.8	4.0	3.3
Operating profit	24.9	25.0	8.9	18.3	20.0	21.1	17.5	11.4
Operating profit margin, %	3.7	4.3	1.4	3.0	2.9	3.7	3.0	2.2
Earnings per share, undiluted, EUR *	0.00	0.12	0.03	0.09	0.09	0.10	0.09	0.04
Earnings per share, diluted, EUR *	0.00	0.12	0.03	0.09	0.09	0.10	0.09	0.04
Equity per share, EUR	1.3	1.3	1.2	1.5	1.6	1.5	1.4	1.4
Equity ratio, %	15.6	15.5	14.7	18.1	19.8	19.0	18.6	17.3
Interest-bearing net debt, EUR million	236.8	332.8	303.4	204.6	200.9	274.0	215.4	125.6
Gearing ratio, %	134.8	190.9	180.5	100.2	89.1	131.8	111.3	67.7
Total assets, EUR million	1,397.7	1,393.7	1,409.0	1,416.2	1,424.7	1,360.5	1,289.5	1,313.9
Operating cash flow before financial and tax items, EUR million	132.3	-5.9	-12.7	52.1	106.9	7.7	-9.3	39.1
Cash conversion (LTM), %	107.5	94.1	106.9	103.6	100.6	90.1	81.3	89.6
Working capital, EUR million	-170.8	-76.9	-111.5	-151.5	-141.4	-75.8	-106.5	-158.2
Gross capital expenditures, EUR million	3.2	4.5	4.6	30.8	20.0	54.8	33.3	4.7
% of revenue	0.5	0.8	0.7	5.0	2.9	9.7	5.8	0.9
Order backlog, EUR million	1,908.7	1,943.1	2,004.8	2,034.3	1,943.3	1,971.0	1,907.9	1,951.6
Personnel at the end of the period	14,815	14,853	14,937	14,641	14,490	15,037	14,612	14,272
Number of outstanding shares at end of period (thousands)	137,046	137,046	137,046	136,882	136,473	136,473	136,473	136,473
Average number of shares (thousands)	137,046	137,046	136,999	136,491	136,473	136,473	136,473	136,440

* Earnings per share adjusted with items related to the tender offer process was EUR 0.21 (0.11) per share for Q4/2023.

4. Calculation of key figures

IFRS 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 = $\dfrac{\text{Result for the period (attributable for equity holders) - hybrid capital expenses and accrued unrecognised interests after tax}}{\text{Weighted average dilution adjusted number of shares outstanding during the period}}$

Alternative performance measures

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.

EBITDA = Operating profit (EBIT) + depreciation, amortisation and impairment

Adjusted EBITDA = EBITDA before items affecting comparability (IAC) [1)]

EBITA = Operating profit (EBIT) + amortisation and impairment

Adjusted EBITA = EBITA before items affecting comparability (IAC) [1)]

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. However, the change in the revenue of the acquired businesses post-acquisition is included in organic growth.

[1)] Items affecting comparability (IAC) in 2023 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 2022, major risk projects only included one old risk project in Germany reported under category (2). In 2022 and 2023, provisions and legal and other costs for civil claims related to the German anti-trust matter were reported under category (4). Category (4) included also costs related to the submitted public tender offers in 2022 and 2023.

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.

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

Net debt/ Adjusted EBITDA = $\dfrac{\text{Interest-bearing net debt}}{\text{Adjusted EBITDA (LTM)}}$

Dividend/earnings, % = $\dfrac{\text{Dividend per share x 100}}{\text{Earnings per share}}$

Equity/share = $\dfrac{\text{Shareholders' equity}}{\text{Number of outstanding shares at the end of the period}}$

Cash conversion, % = $\dfrac{\text{Operating cash flow before financial and tax items (LTM)} \times 100}{\text{EBITDA (LTM)}}$

Free cash flow = Operating cash flow before financial and tax items – taxes paid – net cash used in investing activities

Working capital = Inventories + trade and POC receivables + other current receivables - trade and POC payables - other current payables - advances received - current provisions

5. Acquisitions 2023

Acquired unit	Division	Business unit	Technical area	Acquisition type	Acquisition period	Employees	Prior fiscal year annual revenue, EUR million
TM Voima Group	Industry	Projects	Industrial project installations	Shares	Feb	74	47.7
St1 Lähienergia's geothermal heating installation and project management unit	Finland	Services	Heating	Business	Apr	9	- *
CRC Clean Room Control AB	Sweden	Services	Ventilation and air conditioning	Shares	Jun	4	1.1
VVS Teknikk Møre AS	Norway	Services and Projects	Ventilation, piping and automation	Shares	Jul	35	7.8
Kiwa Inspecta's building services and consultancy unit	Finland	Services	Advisory services	Business	Sep	50	3.8

** The acquisition of St1 Lähienergia's geothermal heating installation and project management unit only comprised the unit's personnel, working tools and material stock.*

In the next table, the assets and liabilities of the acquired businesses are reported in aggregate. The consolidation of the acquired businesses is still provisional as of 31 December 2023. Therefore, the fair value measurement of the acquired assets and liabilities is preliminary and subject to adjustments during the 12-month period during which the acquisition calculations will be finalised.

Assets and liabilities of the acquired businesses (including fair value adjustments)

EUR million	Dec 31, 2023
Property, plant and equipment	1.6
Right-of-use assets	0.5
Intangible assets	5.2
Investments	
Deferred tax assets	0.0
Inventories	1.5
Trade and other receivables	16.4
Cash and cash equivalents	2.8
Total assets	**28.1**
Deferred tax liabilities	0.6
Pension obligations	
Trade payables	2.3
Advances received	8.3
Other liabilities	4.3
Provisions	2.1
Lease liabilities	0.5
Interest-bearing debt	0.2
Total liabilities	**18.3**
Net assets	**9.8**
Cash consideration paid during the fiscal period	**28.2**
Contingent consideration, recognised as liability	**3.2**
Goodwill	**21.7**

6. Related party transactions

Related parties of the Company are parties that has the ability to control the other party or to exercise significant influence or joint control over the other party when making financial and operational decisions. Caverion Oyj's related parties include several parent companies whose ultimate parent company is Triton's fund registered in Luxembourg, whose owners have significant influence over Crayfish HoldCo Oy, the members of Caverion Oyj's Board of Directors, Directors and the company's Management Team as well as their close family members and entities in which they have control or joint control. The Group's investments in associated companies are included in related parties.

Related parties include the parent companies Crayfish BidCo Oy and Crayfish HoldCo Oy, all of which belong to the same group as Caverion Oyj. The Group's ultimate parent company is Luxembourg-based fund Triton Fund V.

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. The loans have been repaid in full by the end of 2023. In the end of 2022 the total outstanding amount of these loans amounted approximately to EUR 3.7 million. Company shares were pledged as a security for the loans.

Crayfish BidCo Oy acquired majority of the shares of Caverion Corporation on 31 October 2023. As of that date Crayfish BidCo Oy has carried out management services to Caverion Corporation including consultancy services relating to management, legal, operational, strategic and structural matters. The cost related to these services amounted to EUR 0.6 million for November-December 2023.

7. 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.

At the end of December 2023, despite the slight signs of easing, the core inflation is still high with uncertainty around its future direction. With limited central bank guidance, the amount and size of the next interest movements are hard to predict. Continuing high volatility on foreign exchange rates is also expected. Caverion monitors the risks closely and, at the moment, does not see any need for changes in the risk management principles. The risks related to the availability of financing, the availability of guarantee facilities as well as foreign exchange and interest rate related risks are in control. The sharpened focus on cash flow and working capital management continues.

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 2023 financial statement in note 5.5 Financial risk management.

Caverion's external loans are subject to a financial covenant based on the ratio of the Group's net debt to EBITDA on Crayfish BidCo Oy level according to the calculation principles confirmed with the lending parties. 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 the discounted present value of remaining lease payments. Cash flows of foreign-denominated liabilities are translated into the euro at the reporting date.

EUR million	2024	2025	2026	2027	2028	2029->	Total
Interest-bearing borrowings	85.2	1.5	50.0	2.9			139.6
Lease liabilities	47.6	34.5	23.5	14.9	10.9	14.9	146.3
Total	**132.8**	**36.0**	**73.5**	**17.8**	**10.9**	**14.9**	**285.9**

8. Financial liabilities and interest-bearing net debt

EUR million	Dec 31, 2023 Carrying amount	Dec 31, 2022 Carrying amount
Non-current liabilities		
Senior bonds	2.9	73.3
Loans from financial institutions	42.5	50.0
Pension loans	1.5	4.5
Lease liabilities	98.6	93.5
Total non-current interest-bearing liabilities	**145.5**	**221.3**
Current liabilities		
Senior bonds	72.1	3.5
Loans from financial institutions	0.1	0.1
Pension loans	3.0	3.0
Other financial loans		0.1
Commercial papers	9.9	10.0
Lease liabilities	47.7	43.9
Total current interest-bearing liabilities	**132.9**	**60.7**
Total interest-bearing liabilities	**278.3**	**282.0**
Total interest-bearing liabilities (excluding IFRS 16 lease liabilities)	**132.0**	**144.6**
Cash and cash equivalents	41.5	81.2
Interest-bearing net debt	**236.8**	**200.9**
Interest-bearing net debt excluding IFRS 16 lease liabilities	**90.4**	**63.4**

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

Derivative instruments

Nominal amounts EUR million	Dec 31, 2023	Dec 31, 2022
Foreign exchange forwards	138.0	121.1

Fair values EUR million	Dec 31, 2023	Dec 31, 2022
Foreign exchange forwards		
negative fair value	-0.3	-0.1

9. Commitments and contingent liabilities

EUR million	Dec 31, 2023	Dec 31, 2022
Parent company's guarantees on behalf of its subsidiaries	500.3	493.1
Other commitments		
- Other contingent liabilities		
Accrued unrecognised interest on hybrid bond		1.5

The nominal amount of leasing commitments of low-value and short-term leases amounted to EUR 9.9 (5.4) million at the end of December. The present value of lease liability of leases not yet commenced to which Caverion is committed amounted to EUR 2.2 (1.1) million at the end of December.

Parent company Caverion Oyj has on 31 October 2023 become an additional borrower and additional guarantor in Senior Facilities Agreement (SFA) executed between Crayfish Bidco Oy and a group of banks. According to terms and conditions of the SFA, the members of Caverion Group i.e. the parent company Caverion Oyj and its subsidiaries are required to provide guarantees and securities to the lenders. Those guarantees and securities may be limited in scope and substance. Guarantees and securities from subsidiaries will be delivered within 120 days of the first utilisation of any loan facility. The first utilisation date was 29 December 2023. The agreed security principles contain two tests that need to be fulfilled. Firstly, there is material company requirement, which includes subsidiaries contributing 5% or more of the consolidated EBITDA of the Group. Secondly, guarantor entities must together equate to over 80% of the Group EBITDA. The above requirements only apply to entities incorporated in Finland, Sweden, Norway and Denmark. Agreed security principles require a security over the shares in a material company and over material intercompany loans with a certain threshold. The total book value of such shares to be included under the securities was EUR 221,3 million on 31 December 2023. There were no material intercompany loans that meet the agreed security principles. Until Crayfish BidCo Oy owns 100% of Caverion Group, guarantee granted by the Caverion Group shall be limited to the amount of the facilities actually borrowed by members of Caverion Group only, excluding the obligations of Crayfish BidCo Oy. This concerns the obligations under the EUR 410 million term loan facility, EUR 75 million revolving credit facility and EUR 65 million committed guarantee facility. After 100% ownership is reached, the guarantees and securities of Caverion Group will cover also Crayfish BidCo Oy obligations, but may be limited if required to comply with relevant local regulations regarding financial assistance constraints.

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 21.5 (20.4) million at the end of December 2023.

The short-term risks and uncertainties relating to the operations have been described in section "Significant short-term risks and uncertainties".

10. Events after the reporting period

On 25 January 2024, Caverion announced that the Redemption Board of the Finland Chamber of Commerce has appointed an arbitral tribunal consisting of three members for the arbitral proceedings concerning the redemption of the minority shares in Caverion. The arbitral tribunal consists of Independent Arbitrator Mika Savola (chair), attorney-at-law Heidi Merikalla-Teir and Independent Arbitrator Marko Wainio.

On 1 February 2024, Caverion completed a small business acquisition in Denmark by acquiring the shares of Industrial Level. Industrial Level offers automation and cyber security consulting. The transaction price was not disclosed and the acquisition has no material effect on the Group's figures.

For more information, please refer to published stock exchange releases available on Caverion's website at www.caverion.com/investors.

Building Performance

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