



GASUM GROUP FINANCIAL STATEMENTS BULLETIN

JANUARY 1 TO
DECEMBER 31, 2017

CLEANLY WITH NATURAL ENERGY GASES

USE



TRANSMISSION AND DISTRIBUTION



PRODUCTION, SOURCING AND SALES



Gasum

GASUM EXPANDED THE GAS MARKET AND PROMOTED CLEANER TRANSPORT ON LAND AND AT SEA

GASUM GROUP'S KEY DATA FOR 2017

- Revenue €925 million, up 10% year on year (2016: €843 million)
- Sales of Natural Gas business 22.3 TWh (23.8 TWh)
- Sales of LNG business 6.1 TWh (5.8 TWh)
- Sales of Biogas business 5477 GWh (233.9 GWh)
- Operating profit €114 million (2016: €125 million)



GASUM GROUP CEO JOHANNA LAMMINEN COMMENTS ON 2017:

"In 2017 we expanded our gas market in line with our strategy on land and at sea. Gas plays an important role in the Nordic energy market and in the transition towards a carbon-neutral society. Our Group's financial performance developed as expected.

According to the European Commission's estimate, the role of natural gas as a key energy source will be strengthened in the next decades. Natural gas enables significant emission reductions in comparison with coal and oil. Natural gas also supports the transition to renewable energy as it serves as backup power for renewable production in electricity generation. Investments in gas are always investments in the future as the same infrastructure can be used for the distribution of biogas and liquefied biogas as well as for the storage of renewable electricity.

We took major steps towards a cleaner tomorrow during the year. At the beginning of 2017, we acquired Swedish Biogas International, which made us the biggest biogas producer in the Nordic countries. We also increased our ownership in the leading LNG company, Skangas, to 70%. The MangaLNG terminal constructed as a joint project is nearing completion, and we provided the terminal and the Northern energy market with the first shipload of LNG.

We also strengthened our gas filling station network by opening several new stations for cars and heavy-duty vehicles in Finland. We also launched the expansion of the heavy-duty vehicle filling station network into the Nordics in Sweden and Norway.

Finland's new Natural Gas Market Act entered into force in January but will not have any major impacts on the functioning of the gas market at this point. The new Act will reduce regulation of natural gas wholesale and retail operations and, to a large extent, abolish special regulation concerning pricing. The Finnish gas market will be opened at the beginning of 2020."

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GASUM IN BRIEF

The energy company Gasum is a Nordic gas sector expert that together with its partners is building a bridge towards a carbon-neutral society on land and at sea. Gasum imports natural gas to Finland and promotes the circular economy by processing waste and producing biogas and recycled nutrients in Finland and Sweden. The company offers energy to heat and power production, industry and road and maritime transport. Gasum is the leading supplier of biogas in the Nordic countries. The company has gas filling stations in Finland, with some of these serving heavy-duty vehicles. The Gasum subsidiary Skangas is the leading liquefied natural gas (LNG) player in the Nordic market. The company continues to strengthen the position and infrastructure of LNG and supplies LNG to maritime transport, industry and heavy-duty vehicles in Finland, Sweden and Norway.

'Cleanly with natural energy gases' – gasum.com

OPERATING ENVIRONMENT

The position of natural gas in the European energy market continued to strengthen in 2017, while in Finland the situation remained against the European trend throughout the year, with coal still ahead of natural gas in the dispatch order of combined heat and power (CHP) production plants. The year under review also saw a decision on a tax increase on fossil heating fuels at the beginning of 2018, increasing the taxation of natural gas nine-fold compared with the 2010 level. Finnish debate on phasing out coal continued, and a change in taxation to favor natural gas has been brought up increasingly in the comments.

The LNG market continued to grow during the year under review, although the low price of crude oil and the unfavorable tax treatment of natural gas slowed down the shift away from other energy forms. The price of crude oil was on a clear upwards trajectory towards the end of the year, but this only had a slight impact on the price of LNG. Compared with other energy forms, the predictability of LNG price movements is good. In addition to environmental friendliness and inexpensiveness, price predictability is one of the strongest advantages of LNG.

The number of LNG-fueled vessels is increasing globally in maritime transport, although the market share is still rather modest. Well-functioning technology coupled with low emissions is making LNG more attractive as future emission limits will restrict the use of other fuels. Competition is emerging in the Small Scale LNG segment. Skangas is the market leader in its geographical area. Increasing competition will have a positive impact on customer decisions and facilitate market growth.

Northern Finland's gas and fuel market will be diversified as a new fuel – LNG – enabling deliveries to industry, marine transport and heavy-duty road transport outside the gas pipeline network is becoming available in the market. LNG is the cleanest heavy-duty transport fuel and its demand is increasing strongly throughout the Nordic countries.

Threats to LNG use are posed by political decisions with an adverse effect on gas use. For example, in Norway carbon dioxide taxation that, contrary to its goal, will slow down the transition from the highest-emissions energy forms to the use of lower-emission LNG was implemented in late 2017.

In January 2017, the European Commission published its interim review of the Circular Economy Package. Presented originally in December 2015, the package is one of the current Commission's key priorities. Biogas production figures prominently in the report, with the Commission emphasizing the benefits of the biogas process in comparison with waste incineration in particular. In 2017 there was also an extensive debate about the proposal included in the Commission's winter package on the revised renewable energy Directive. As regards biogas produced at Gasum plants, the proposal for the Directive is mainly favorable and likely to strengthen the position of biogas in transport use in particular.

Gas-fueled transport is continuing its growth in Finland. According to the interim report of the Finnish parliamen-

tary working group tasked with assessing funding for the transport network, the working group has explored ways for more efficient promotion of clean transport. According to the working group, tax incentives should be put in place to encourage the purchase of low-emission cars and, for example, the conversion of combustion-engine cars into gas cars. The working group pointed out the need to develop public transport towards lower emissions. On the basis of the working group's recommendations, a fixed-term act on the scrapping incentive and on support for the acquisition of electric cars and for gas and ethanol car conversions entered into force at the beginning of 2018. Under the Act, private individuals receive support for the purchase of a new lower-emission car such as a gas-fueled car in conjunction of the scrapping of their old car. In addition, government support is available for gas and flex-fuel car conversions.

Gasum opened five new filling stations in 2017, and there are currently around 40 public gas filling stations in Finland. According to Gasum's estimate, it is likely that there will be more than 70 gas filling stations in Finland by 2020.

BUSINESS DEVELOPMENT IN 2017

Natural Gas business

The price of natural gas sold in Finland is linked to the world market prices of coal and oil and price developments in the Finnish energy market. Owing to index movements, the price of natural gas took an upturn in the second half of 2016 and continued to rise steadily throughout 2017. In 2017, the volume of natural gas sold was 22.3 TWh, down 6% year on year. The decrease was affected by the exceptionally warm weather seen throughout the year.

Finland's new Natural Gas Market Act was presented by the Ministry of Economic Affairs and Employment in early 2017. Immediately following the publication of the bill, Gasum began actively and in cooperation with stakeholders to formulate the market rules for the open market as required by European legislation for the gas market that will be opened up in 2020. The aim of this joint stakeholder work has been to create national market rules that meet the requirements set in legislation and enable a well-functioning gas market. The development of the open-market operating models, the tasks of the national transmission system operator and the supporting IT systems will continue in 2018.

The changeover to an open gas market will also require the unbundling of the transmission system operator from Gasum's other business operations. The Act requires that the unbundling takes place on the basis of the de facto ownership unbundling model where Gasum's transmission network operations will be unbundled into a separate independent company by the beginning of 2020. The unbundling plan was drawn up in 2017, its implementation has commenced and the unbundling will be completed as required by the Act by the end of 2019.

The Natural Gas business exited its heat business and local distribution network gas sales and sold these functions to Auris Kaasunjakelu Oy in early 2017, which clarified the

business in response to changes in the gas market.

The security of natural gas supply has been excellent and also remained at an excellent level in 2017.

LNG business

In the LNG business, Gasum increased its shareholding in the Nordic LNG company Skangas to 70% on June 22, 2017. The acquisition was a continuation to a transaction closed in 2014 where Gasum acquired a majority stake in Skangas from Lyse AS. The increase in shareholding strengthens Gasum's position as the leading LNG provider in the Nordic countries and developer of the Nordic gas ecosystem.

LNG was delivered during the year from LNG terminals to maritime transport and industry. The volumes of customer deliveries increased during the year, and new supply agreements were also signed in the Nordic countries. The strongest increase was seen in maritime transport where Skangas achieved a year-on-year sales increase of around 40%. The operations of the Pori terminal were affected by a fire at a customer's production facility in early 2017. The LNG business has also made the first deliveries of liquefied biogas to industrial customers.

The LNG bunker and feeder vessel Coralius started operating in the North Sea, Skagerrak area and Baltic Sea, improving the capacities of the LNG business to serve marine bunkering customers in the Nordic countries also with ship-to-ship bunkering. Coralius completed her maiden delivery voyage to the terminal located in Øra, Norway, in September 2017. This was followed by Coralius bunkering several vessels in late 2017.

Progress is made according to plan in the construction of the Manga's LNG import terminal as a joint venture at the Port of Tornio, Finland. The Gasum subsidiary Skangas partners in the project with Outokumpu, SSAB Europe and EPV Energy. The first shipload of LNG was delivered to the terminal in November 2017. The commercial use of the terminal is scheduled to begin in summer 2018.

Biogas business

The production capacity of the Biogas business was doubled by the acquisition of Swedish Biogas International in January. The Swedish biogas plants improve the opportunities to offer biogas to industrial and transport customers in Sweden. The biogas plants are located in Jordberga, Katrineholm, Lidköping and Örebro, and Gasum also has a majority shareholding in a production plant located in Västerås. In addition, Gasum has a 50% shareholding in Vadsbo Biogas in Sweden. The transaction made Gasum the biggest producer of biogas in the Nordic countries. Biogas plays a strong role in Sweden, particularly as a vehicle fuel, and the State supports the production and use of biogas in many ways.

The Turku biogas project entity is one of the Finnish Government Bioeconomy and clean solutions key projects. The project entity comprises the modernization and expansion of the Topinoja, Turku, biogas plant and the construction of a biogas upgrading and liquefaction plant. As part of the project, Gasum will also construct more filling stations to serve

light vehicles in the Turku region. The expansion project will be completed during 2019.

The Swedish biogas market has also developed and demand is continuing to grow. Gasum aims to produce biogas for the Swedish transport sector. The Biogas business is looking into biogas production from the wastewaters of the Stora Enso Pulp and Paper plant located in Nymölla, Sweden. The Swedish Environmental Protection Agency has granted the project €12.4 million in investment subsidy. The Nymölla project aims to produce liquefied biogas for heavy-duty road transport and maritime transport from the wastewaters of the Stora Enso Nymölla Pulp and Paper plant located in the south of Sweden.

In the Biogas business, the development of the biogas and natural gas filling station network progressed as planned and Gasum opened five new filling stations in Finland. The expansion of the filling station network will continue further in 2018, and the company will construct filling stations for transport nodes in Finland and for heavy-duty transport in Sweden and Norway. The expansion of the filling station network and Gasum's fixed-price road fuel gas campaign have increased interest in gas cars even further. In 2017, the number of gas-fueled cars increased in Finland by around 1,200 cars or around 55%. According to Finnish Transport Safety Agency statistics, there are around 3,400 gas cars in Finland.

Gasum entered into circular economy partnerships with IKEA Finland and the K-group in 2017. In both of these, biogas is produced from food waste. With IKEA Finland, Gasum gas filling stations will be constructed in conjunction with IKEA stores where customers can fill up on biogas made from waste. In the partnership with the K-group, inedible organic waste from 200 K-food stores and the Kesko Logistics central warehouse is recycled for biogas production. The biogas is used as energy to produce Pirkka ice creams in the Turenki Ice Cream Factory.

Technical Services business

The Technical Services business mainly serves Gasum's other businesses by providing maintenance and servicing. In 2017, the business increased the efficiency of its operating systems and sales processes.

Technical Services also supported the Biogas business in 2017 in the development of the gas filling station network and the opening of new filling stations. The business entered into new partnership agreements during the year. A portable LNG vaporizer was supplied to Tampereen Sähkölaitos, enabling the energy company to offer safety and supply security to its customers with the gas distribution chain in case of energy disruptions.

REVENUE AND FINANCIAL DEVELOPMENT

The Gasum Group's revenue for January 1 to December 31, 2017 totaled €925.0 million, up 10% year on year (2016: €843.4 million). The Group's operating profit was €114.2 million (2016: €124.8 million) and operating profit margin 12.3% (2016: 14.8%). The Gasum Group's return on equity in 2017 was 13.7% (2016: 17.7%).

The Natural Gas business accounted for €678.7 million of the total of the Group's revenue, up 3% year on year (2016: €658.8 million). The increase was affected by an increase in prices owing to index movements.

The revenue of the LNG business totaled €195.2 million (2016: €162.4 million), up 20%. The increase was due to an increase in volumes from the previous year's 5.8 TWh to 6.1 TWh. The revenue of the business unit accounted for 21% of the Group's revenue. Now that the most significant investments of the LNG business have been completed, growth is anticipated to continue in the coming years.

The revenue of the Biogas business doubled year on year following the business acquisitions made in early 2017 and came to €47.9 million (2016: €23.6 million). Major efforts were continued to achieve business growth. Filling station investments during the period under review totaled €6.2 million and expenses arising from research and development relating to new and developing business amounted to €3.0 million.

BALANCE SHEET AND FINANCIAL POSITION

The Group's balance sheet total at December 31, 2017 came to €1,421.2 million (December 31, 2016: €1,461.5 million). The Group's financial position remained strong throughout the year, with the equity ratio being 41.6% (December 31, 2016: 40.8%). The Group's borrowings from financial institutions totaled €439.4 million (December 31, 2016: €497.3 million), of which €409.6 million were non-current borrowings and €29.7 million were current. Other non-current liabilities on the balance sheet increased to €127.2 million (€116.0 million). This increase is mainly attributable to the Coralius vessel taken into service in the autumn and the resulting finance lease liability.

CAPITAL EXPENDITURE AND ACQUISITIONS

The Gasum Group's capital expenditure on intangible and tangible assets in 2017 totaled €58.1 million (2015: €51.3 million), and most of this was to do with the finance lease of an LNG carrier vessel, construction of new filling stations and biogas plant expansion investments. Gasum received a total of €11.7 million in investment support in 2017.

The Finnish Ministry of Economic Affairs and Employment granted the Turku biogas plant expansion €7.97 million in investment aid for key energy projects during the period under review. The Swedish Environmental Protection Agency granted Gasum's project in Nymölla, Sweden, €12.4 million (SEK 121.5 million) in investment subsidy from its Climate Leap ('Klimatklivet') program. The projects have been launched and some of the support granted will be received during the coming reporting periods.

In Q1 of 2017, the acquisition of Swedish Biogas International was completed by Gasum, which resulted in 100% of the shares of Swedish Biogas International AB and the companies owned by it being transferred to Gasum.

In February, Gasum sold its Finnish heat business and local distribution network gas sales to Auris Kaasunjakelu Oy. Exiting local distribution network gas sales clarified

Gasum's position in the Finnish gas market, which will undergo changes following the coming reform of the Natural Gas Market Act.

In June 2017, Gasum exercised a call option and purchased further shares in Skangas AS, resulting in Gasum Ltd owning 70% of the company.

QUALITY, ENVIRONMENT AND SAFETY

There were no significant environmental nonconformities in the Group in 2017, and the level of environmental performance has remained high despite a few incidents relating to processes. Energy reviews have been made for biogas plants to identify issues in need of development.

To improve health and safety at work, measures improving the safety culture were taken during the year. Gasum pays constant attention and makes continuous efforts to ensure safety. Measures employed by the company include Safety walks, Safety moments ("take a moment to think" safety checks) as well as a variety of safety campaigns implemented during the year. The end of 2017 also saw the launch of the I am Safety campaign. Technical staff use a risk assessment method in their customer work. Gasum engages in active dialog with employees about safety and security issues. Business-specific reporting on health and safety matters was also introduced by Gasum at the beginning of the year. Reporting safety observations was made easier by the simultaneous launch of an application in Finland and Sweden. The number of safety proposals made using the app is increasing considerably.

There were a total of 10 accidents at work in 2017 (2016: 17 accidents), with 5 of these resulting in at least one day off work.

The Gasum Group's safety and security approaches were harmonized across the businesses in 2017. The Group's Corporate Responsibility Program and its objectives were also updated. Regular quarterly reporting to the owner was launched on progress made in corporate responsibility objectives.

RESEARCH AND DEVELOPMENT

The year saw Gasum organize the R&D function closer to the company's business functions so that it will respond more efficiently to the needs of the Gasum Group business functions. Most of the R&D projects focus on development activity of the Biogas business. Expenses arising from R&D relating to the Biogas business amounted to €3.0 million.

Gasum, Kemira and the City of Lappeenranta assessed the techno-economic feasibility of a renewable gas production plant, or methanation plant, in Joutseno, Finland. A joint decision was made by the actors involved to discontinue further plans concerning the project due to its economic unfeasibility. Power-to-gas (P2G) and methanation technology is undergoing strong development in Europe where several projects have already been implemented. P2G enables the storage of renewable wind or solar energy in the natural gas transmission network. Technological development and lowering of component prices may make the implementation of the Joutseno project also feasible in the future. Gasum will follow the development of this technology.

In all 12 grants, amounting to a total of €81,000 (2016: €108,000), were issued in 2017 from the Gasum Gas Fund administered by the Finnish Foundation for Technology Promotion.

PERSONNEL AND ORGANIZATION

The number of the Gasum Group's employees increased due to the Biogas business acquisitions carried out in early 2017. On December 31, 2017, the Group had a total of 409 employees (December 31, 2016: 375), of whom 42 worked in the bio-companies acquired in Sweden and 79 in the Skan-gas subgroup.

In 2017 the Gasum Group had in place a profit bonus scheme covering the entire personnel, while a performance bonus system applied to key persons and a long-term incentive system to senior executives. The remuneration systems comply with the guidelines issued by the Ownership Steering Department in the Prime Minister's Office.

To simplify the Group structure, company mergers took place in September 2017 in Gasum's Biogas business in Finland and Sweden. The Sweden-based companies also merged in the LNG business.

On November, 2017 a letter was sent by shop stewards of Gasum personnel groups to the shareholders and the Board of Directors of Gasum Ltd. In response to the views presented in the letter, Gasum has provided the shareholders with a report on the measures taken so far to develop good leadership and management and employee wellbeing. An extensive workplace community survey was started in the Gasum Group at the end of year 2017.

OWNERSHIP STRUCTURE AND GOVERNANCE

Gasum is fully (100%) owned by the State of Finland. The shares are held at 73.5% by the state-owned Gasonia Oy and 26.5% directly by the State of Finland. There were no changes in shareholding during the period under review.

At the ordinary general meeting of Gasum Ltd on March 23, 2017, Juha Rantanen was elected as the Chairman of the Board of Directors and Jarmo Väisänen, Timo Koponen, Päivi Pesola, Charlotte Loid, Elina Engman and Stein Dale were elected as members of the Board of Directors. The Board of Directors constitutes a quorum when more than half of the members are present at a meeting.

At its meeting on April 25, 2017, the Board of Directors took a decision to establish an Audit Committee and an HR Committee. Päivi Pesola was elected as the chair and Elina Engman, Charlotte Loid and Timo Koponen as members of the Audit Committee. Juha Rantanen was elected as the chair and Stein Dale and Jarmo Väisänen as members of the HR Committee.

RISKS AND RISK MANAGEMENT

Gasum's most important business risks are to do with the energy market and developments in the prices and relative competitiveness of fuel commodities and electricity. In addition, there are risks relating to issues such as business regulation, the functioning of the transmission system, safety and

security, environmental impacts, and access to natural gas. A risk for the LNG business is the development of LNG sales in relation to sourcing-related capital expenditure.

Gasum has protected itself against energy commodity price fluctuation by developing its own sales pricing to reflect supply contract pricing. The competitiveness of gas is impaired by changes in fuel taxation and energy subsidies. Changes in natural gas market regulation may result in negative impacts on the company's financial position or opportunities to achieve the objectives set for natural gas market development.

There have been no disruptions in natural gas supply. Gasum is prepared for natural gas supply disruptions with reserve fuel arrangements.

FUTURE OUTLOOK

As a low-emission fuel, the role of gas will increase, particularly in maritime transport and heavy-duty road transport. Gas also offers industrial operators an excellent alternative in their efforts to achieve their emission targets.

Gasum's investments in the Nordic gas ecosystem will facilitate the company's growth. Gasum's new businesses (LNG and biogas) have already gained a good position in the market and will grow significantly in the future. The prolonged downward trend in natural gas volumes has been reversed and possible tax changes may have an impact on growth in gas demand within the area covered by the natural gas pipeline network, too.

The total sales volumes of gas are anticipated to grow, which will also ensure the positive development of the company's profitability.

The company continues unbundling preparation work onward according to unbundling plan.

KEY FINANCIAL INDICATORS

	2017	2016
Operating profit (%)	12.3%	14.8%
Equity ratio (%)	41.6%	40.8%
Return on equity (%)	13.7%	17.7%

Consolidated statement of income – unaudited

€ thousand

	1.1.–31.12.2017	1.1.–31.12.2016
Revenue	924,987	843,357
Other operating income	23,348	33,732
Materials and services	-678,530	-612,147
Personnel expenses	-38,452	-34,059
Depreciations and amortization	-68,059	-51,129
Other operating expenses	-49,087	-54,951
Operating profit	114,208	124,804
Finance income	13,897	16,718
Finance expenses	-28,183	-15,096
Finance items – net	-14,286	1,621
Share of result from investments accounted for using the equity method	-38	-949
Profit before taxes	99,884	125,476
Current income tax expense (income)	-32,110	-18,952
Change in deferred taxes	13,426	-4,166
Profit for the period	81,199	102,358
Profit for the period attributable to:		
Owners of the parent	86,199	104,298
Non-controlling interest	-5,000	-1,940

Consolidated statement of comprehensive income – unaudited

€ thousand

	1.1.–31.12.2017	1.1.–31.12.2016
Profit for the period	81,199	102,358
Other items in comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefits	-71	-273
Items that may be reclassified subsequently to profit or loss		
Translation differences	-6,188	1,829
Total comprehensive income for the period	74,940	103,914
Total comprehensive income for the period attributable to:		
Owners of the parent	79,941	105,855
Non-controlling interest	-5,000	-1,940

Consolidated balance sheet – unaudited

€ thousand

	31.12.2017	31.12.2016
ASSETS		
Non-current assets		
Intangible assets	216,790	221,423
Tangible assets	949,783	927,343
Equity-accounted investments	10,510	10,398
Available-for-sale investments	50	69
Derivative financial instruments	1,502	13
Deferred tax assets	0	2,024
Other non-current assets	411	6,059
Total non-current assets	1,179,045	1,167,329
Current assets		
Inventories	98,654	112,556
Derivative financial instruments	816	2,660
Trade and other receivables	139,878	155,557
Current tax assets	146	0
Cash and cash equivalents	2,662	23,425
Total current assets	242,156	294,198
Total assets	1,421,201	1,461,527

Consolidated balance sheet – unaudited

€ thousand

	31.12.2017	31.12.2016
EQUITY AND LIABILITIES		
Share capital	178,279	178,279
Retained earnings	292,727	266,029
Profit for the period	86,199	104,298
Translation differences	-4,358	1,829
Total equity attributable to owners of the parent	552,848	550,435
Non-controlling interest	38,320	45,443
Total equity	590,871	595,879
Liabilities		
Non-current liabilities		
Loans	409,641	448,654
Other non-current liabilities	127,208	115,973
Derivative financial instruments	5,382	4,257
Deferred tax liabilities	76,922	94,682
Provisions	9,959	9,441
Post-employment benefits	7,369	7,486
Total non-current liabilities	636,482	680,493
Current liabilities		
Loans	29,724	48,694
Derivative financial instruments	2,826	1,479
Trade and other payables	143,854	120,655
Current income tax liabilities	17,444	14,327
Total current liabilities	193,848	185,155
Total liabilities	830,330	865,648
Total equity and liabilities	1,421,201	1,461,527

Consolidated statement of cash flows – unaudited

€ thousand

	1.1.-31.12.2017	1.1.-31.12.2016
Cash flows from operating activities		
Profit before taxes	99,884	125,476
Adjustments		
Depreciation and amortization	68,059	51,129
Finance items - net	14,286	-1,621
Unrealized gains/losses from financial instruments	3,895	-19,495
Other non-cash items	-14,198	5,141
Change in working capital	46,015	30,855
Cash inflow from operating activities before financial items and taxes	217,941	191,486
Interest paid and finance costs arising from operations	-12,499	-15,333
Received financial income	981	753
Income taxes paid	-28,919	-164
Cash flow from financial items and taxes	-40,437	-14,744
Net cash flows from operating activities	177,504	176,741
Cash flows from investing activities		
Investments in tangible assets	-21,788	-47,123
Investments in intangible assets	-1,071	-1,005
Investment grants received	11,718	9,702
Proceeds from sale of tangible assets	223	1,403
Business acquisitions and disposals	4,807	-99,041
Increase/decrease of non-current receivables	130	-1,656
Net cash flows from investing activities	-5,981	-137,719
Cash flows from financing activities		
Proceeds from non-current borrowings	1,945	470,000
Repayments of non-current borrowings	-124,070	-418,704
Proceeds from current borrowings	21,327	106,258
Repayments of current borrowings	-40,497	-109,144
Increase/decrease of finance lease liabilities	-991	-1,182
Dividends paid	-50,000	-70,002
Net cash flows from financing activities	-192,286	-22,774
Net decrease (-)/increase (+) in cash and cash equivalents	-20,763	16,246
Cash and cash equivalents at the beginning of the period (Dec 31)	23,425	7,178
Cash and cash equivalents at the end of the period	2,662	23,425

The increase of Gasum Ltd's ownership of Skangas AS through the exercise of the 15.6% call option and the acquisition of another 3.4% of the shares of Skangas AS is presented in cash flows from financing activities.

Formulas for key financial indicators

$$\text{Equity ratio} = \frac{\text{Shareholder's equity}}{\text{Balance sheet total} - \text{advances received}}$$

$$\text{Return on equity} = \frac{\text{Profit for the period}}{\text{Total equity (average for the period)}}$$

$$\text{Operating profit margin} = \frac{\text{Operating profit}}{\text{Revenue}}$$

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