

Pohjolan Voima

January-June half-year financial report

2022



POHJOLAN VOIMA OYJ MIDYEAR REPORT 1 JANUARY TO 30 JUNE 2022

Pohjolan Voima's heat and power production continued at the normal level Test production phase of Teollisuuden Voima's Olkiluoto 3 EPR nuclear power plant unit started

Operating environment

Russia's offensive warfare in Ukraine has a major impact on the energy system in Finland and the EU as a whole. Europe is moving quickly to break its dependence on Russian energy. Energy prices are high, and concerns about security of supply have become a key energy policy issue. In Finland, import of wood-based fuels from Russia coming to a halt will pose challenges to the availability of fuel, especially during the winter season 2022–2023.

During its autumn session, Parliament will discuss the national climate and energy strategy that the Government submitted to Parliament as a report in the summer. The strategy outlines measures to help Finland achieve carbon neutrality by 2035. The strategy recognises the importance of all forms of carbon neutral production. The acceptability of nuclear power is very high. Hydropower is seen as an essential balancer of the electrical power system as the volume of wind power production, which varies according to the weather, continues to grow rapidly. According to the strategy, combustion-based forms of production will be necessary for decades to come, and peat has become increasingly acceptable as a fuel to ensure the security of supply.

The EU continues to work on the Fit for 55 package, which includes several initiatives to meet the EU's climate target of reducing emissions by at least 55% from the 1990 level by 2030. The criteria in the EU taxonomy for sustainable activities on climate change mitigation and adaptation have been accepted. Nuclear power and natural gas were also accepted as sustainable forms of energy. The Commission is likely to issue further proposals concerning sustainable finance later in 2022.

Finland's electricity consumption between January and June 2022 was 40.9 TWh (43.9 TWh between 1 January and 30 June 2021), which represents a year-on-year decrease of 6.9 per cent. Finnish electricity production totalled 33.7 (35.2) TWh, while net imports into Finland amounted to 6.9 (8.7) TWh.

The average system price from January to June 2022 was €115.2 (42.1) per MWh, while the average Finnish area price was €103.8 (47.6) per MWh. The area and system prices have risen sharply due to the crisis in Ukraine and higher prices of emission allowances. The system price has generally been close to the price level in central Europe.

The price of the EU emission allowances increased steadily between March and June. The market price was approximately €76 per metric ton at the beginning of the year, compared to approximately €83 per metric ton at the end of the second quarter. The emission allowance price has risen sharply from the same period last year (€51).

Pohjolan Voima's heat and power production

Pohjolan Voima's total electricity supply from January to June 2022 totalled 6.3 (5.9) TWh. Of this, the Group's own electricity production accounted for 6.0 (5.6) TWh, purchases from the Nordic electricity market for 0.4 (0.3) TWh and sales for 0.3 (0.2) TWh. The parent company's deliveries to its shareholders totalled 5.7 (5.3) TWh, and

the subsidiaries' deliveries to their other shareholders 0.2 (0.3) TWh. Pohjolan Voima Group's heat deliveries totalled 1.6 (2.0) TWh.

Pohjolan Voima's electricity supply by form of production:

	1 January to 30 June 2022	1 January to 30 June 2021	1 January to 31 December 2021
Nuclear power.....	4.2	3.7	8.2
Hydropower.....	0.9	1.1	2.1
Combined heat and power.....	0.8	0.8	1.5
Purchases.....	0.4	0.3	0.6
Total.....	6.3	5.9	12.4
Heat deliveries.....	1.6	2.0	3.5

Key events during the reporting period

In December 2021, the Radiation and Nuclear Safety Authority (STUK) granted Teollisuuden Voima Oyj (TVO) a criticality and low power test permission, and the reactor in the OL3 EPR plant unit was subsequently started up. The plant unit was connected to the national grid on 12 March 2022, and electricity production started. The electricity production capacity was increased gradually during the test production to around 850 MW. On 29 April 2022, Pohjolan Voima Oyj published a stock exchange release reporting that due to inspection and repair needs detected in the generator cooling system, the regular electricity production of OL3 would be postponed to September instead of the end of July as previously announced. Another stock exchange release on 15 June 2022 reported that the test production of OL3 would be suspended until the end of July due to foreign material issues observed in the turbine's steam reheater. It was stated that regular electricity production would start in December 2022 instead of September. The test production phase was continued on 8 August 2022 (see Events after the reporting period).

On 29 June 2022, Pohjolan Voima Oyj signed a new €350 million revolving credit facility to refinance previous facilities totalling €329 million. The new facility has a maturity of five years, and it also includes two one-year extension options. For the first time, the margin of the revolving credit facility is linked to the achievement of the company's key sustainability targets of carbon neutrality in electricity and heat production.

On 25 October 2021, Pohjolan Voima Oyj announced a decision by the extraordinary general meeting to approve the sale of shares in Hämeenkyrön Voima Oy to Metsä Board Corporation. The transaction was finalised on 1 January 2022. The same meeting also decided on the repayment of capital amounting to €11,602,350.58 from the company's reserve for invested non-restricted equity and a reduction of the share capital by €359,249.42 to acquire the company's G10 series shares. The repayment of capital took place on 5 January 2022, and the reduction of the share capital took place and the shares were acquired and annulled in March 2022.

Result from operations and financing

Pohjolan Voima Oyj operates on an a cost price principle. The shareholders pay the fixed costs in accordance with their ownership share, irrespective of whether they have used their capacity or energy share, as well as variable costs according to the energy supplied. As a result of this operating principle, presenting any financial key indicators is not necessary to understand the company's business, financial status or result.

The Group's equity ratio at the end of the reporting period was 42.4% (41.0%). The consolidated result from continuing operations during the reporting period was €282 (255) million. The operations of PVO-Lämpövoima Oy, the plants of which were closed down in 2015, have been reported in the Group's financial statements as discontinued operations. The consolidated result was €-21.9 (-16.2) million. The result was mainly affected by the result of associated companies and joint ventures, which was negative due to TVO updating the cost estimates of a new nuclear waste management technical plan and the related schedule.

At the end of June 2022, the Group's interest-bearing debts totalled €1,179 (1,218) million, and cash and cash equivalents totalled €43 (54) million. Furthermore, the Group had €350 (329) million of unused binding credit facility agreements and €238 (238) million of unused shareholder loan commitments.

The Group companies' loan agreements do not include any financial covenants.

Investments

Pohjolan Voima Group's investments, excluding financial investments and the purchase of emission allowances, amounted to €4.0 (3.8) million during the period under review. The most major investments involved PVO-Vesivoima Oy, where a repair of an earth dam at the Melo hydropower plant and the renovation of a switchyard at Isohaara progressed.

Between 2004 and 2022, Pohjolan Voima Oyj has invested a total of €991.6 (991.6) million in the new OL3 nuclear power plant project, which is currently under the test production phase. The investments are based on the OL3 financing plan, which specifies that the equity required for the investment is accumulated according to the progress of the project.

Personnel

At the end of the period under review, Pohjolan Voima Group employed 41 (50) people. The reduction in the number of employees is due to the outcome of statutory labour negotiations in Laanilan Voima Oy in 2021 and the parent company in early 2022.

Corporate responsibility

Pohjolan Voima is implementing the sustainability programme that was updated in 2020 and the targets specified therein. More information about sustainability matters is available on Pohjolan Voima's website at www.pohjolanvoima.fi. In 2022, one of the Group's key initiatives is sustainability and biodiversity. The aim is to set targets for biodiversity by the end of the year and commit to set a science-based climate target by 2023 at the latest. For the first time, the margin of the revolving credit facility that was signed in the summer is linked to the achievement of the key sustainability targets.

Environment

Environmental management systems certified in accordance with ISO 14001 are in use in the majority of Pohjolan Voima's production companies. This helps to ensure the achievement of environmental objectives and continuous improvement of operations. In addition, all the production companies are using the ETJ+ energy efficiency system or an ISO 50001 energy management system. Some of these systems are certified. Furthermore, the environmental management system of TVO (a joint venture of Pohjolan Voima) is EMAS-registered.

PVO-Vesivoima Oy is participating in the Iijoki project on migratory fish in 2020–2022, which continues the migratory fish spearhead project of 2017–2020. As part of the project, the first downstream migration route for migratory salmon fry in Finland at the power plant furthest upstream along the Iijoki river at Haapakoski was completed in November 2021. In December 2020, the Regional State Administrative Agency for Northern Finland granted a water resources management permit applied for by PVO-Vesivoima Oy and Metsähallitus for the Raasakka fishway. The Raasakka fishway project is awaiting the outcome of appeals by stakeholders against the construction licence. Measures to return migratory fish to the old natural riverbed of the Iijoki river at Raasakka continue. In March, the municipality of Ii, PVO-Vesivoima Oy and the South and North Ii fishery collectives signed an agreement on the development of the old Iijoki riverbed at Raasakka in 2022 and 2023.

In March 2017, the Centre for Economic Development, Transport and the Environment for Lapland filed a petition with the Regional State Administrative Agency for Northern Finland concerning stocking and fish stock management obligations with regard to the Kemijoki river. In October 2017, the Centre filed a similar petition concerning the Iijoki river. In addition to entirely new requirements, this involves additions to the current obligations. The Regional State Administrative Agency gave public notice of the petition concerning Iijoki in February 2020 and of the one concerning Kemijoki in June 2020. PVO-Vesivoima submitted complaints regarding both petitions to the Regional State Administrative Agency. In 2021, PVO-Vesivoima submitted its rejoinder to the petitioner's comments and statements issued by the Finnish Environment Institute. The petitioner submitted its rejoinder to the statements in April 2022, and PVO-Vesivoima its rejoinder to the petitioner's rejoinder in June 2022.

As the result of the Industrial Emissions Directive, BAT conclusions made on the basis of the Best Available Techniques reference documents became binding. The BAT conclusions related to the reference document on best available techniques for large combustion plants (LCPs) were published on 17 August 2017. Power plants whose main field of activity is energy production will have to adjust their operations to the conclusions within four years.

The first power plants prepared their applications for the review of their environmental permits in 2018, and the work on permits has continued in 2022. The emission limits will be stricter in the new environmental permits.

Pohjolan Voima Oyj or its subsidiaries, associated companies and joint ventures are not aware of any environmental liabilities that have not been covered. The Group's more detailed responsibility and environmental information is published on its website at www.pohjolanvoima.fi. TVO provides information on the environmental issues

related to nuclear power generation on its website at www.tvo.fi and in a separate corporate social responsibility report.

Key risks and uncertainties

The key risks and uncertainty factors involved in Pohjolan Voima's operations are presented in the 2021 report of the Board of Directors. The most significant risks mentioned concern the schedule of TVO's OL3 EPR project, revenue generation capacity and the consortium company Areva's adequate financial capacity to fulfil its responsibilities until the end of the warranty period. The OL3 plant unit was connected to the national grid on 12 March 2022. According to information provided by the plant supplier in June 2022, OL3 will start regular electricity production in December 2022 instead of September as previously announced. As the OL3 project still ongoing, no assurance can be given that further delays would not materialise prior to completion of the projects. A failure by one or more of the Supplier consortium companies to meet their respective obligations according to the Plant Contract or the Global Settlement Agreement could further delay the start of regular electricity production and result in additional costs for TVO. Such issues may lead to further legal proceedings or negotiations with the Supplier consortium companies which have joint and several liability.

Pohjolan Voima has reviewed the impact of the situation in Ukraine on its business. If the conflict in Ukraine drags on, Pohjolan Voima's business may also be affected by changes in the operating environment, such as poorer availability of biofuel and the effects of inflation on the economy in general. Furthermore, the higher inflation rate may increase Pohjolan Voima's production costs. The COVID-19 pandemic has continued to have only a minor impact on Pohjolan Voima's business.

Shares and shareholding

Shareholder	Shareholding (%) 30 June 2022
EPV Energy Ltd	5.489
Helen Ltd	0.619
Ilmarinen Mutual Pension Insurance Company	1.831
Kemira Oyj (incl. Neliapila pension fund)	5.060
Kokkolan Voima Oy	1.803
Kymppivoima Oy	5.907
Metsä Group (Metsäliitto Cooperative, Metsä Fibre, Metsä Board Oyj)	3.657
Myllykoski Oyj*)	0.631
Oulun Energia Ltd	0.906
Outokumpu Oyj	0.096
Perhonjoki Ltd	2.208
City of Pori	1.366
Rautaruukki Corporation	0.090
Stora Enso Oyj	15.608
Finnish Power Ltd	1.476
UPM Energy Ltd*)	47.727
UPM Communication Papers Ltd*)	3.457
Vantaa Energy Ltd	0.229
Yara Suomi Oy (incl. pension fund)	1.840

*) *The company is part of the UPM-Kymmene Group.*

Annual general meeting

An annual general meeting held on 24 March 2022 adopted the 2021 financial statements, adopted the profit and loss statement and the balance sheet, and discharged the members of the Board of Directors and the President and CEO from liability. PricewaterhouseCoopers Oy, Authorised Public Accountants, was nominated as the auditor.

The following members were elected to the Board of Directors: Tapio Korpeinen, Executive Vice President (UPM-Kymmene Corporation); Seppo Parvi, Chief Financial Officer (Stora Enso Oyj); Jukka Hakkila, Group General Counsel (Kemira Oyj); Anders Renvall, Managing Director (Kymppivoima Oy); Tomi Sederholm, Vice President (UPM-Kymmene Corporation); Esa Kaikkonen, CEO (Metsä Tissue Oyj); Rami Vuola, President & CEO (EPV Energy Ltd); Mikko Rintamäki, Managing Director (Kokkolan Energia Oy); and Juha Juntunen, Managing Director (Oulun Energia Oy). At its inaugural meeting, the Board of Directors elected Tapio Korpeinen as the chair and Seppo Parvi as the vice chair. The Board also elected committee members from among its members.

Major legal actions pending

There were no major legal actions pending during the reporting period.

Events after the reporting period

Repair and modification works at the TVO OL3 EPR plant unit were completed and test production phase was resumed on 8 August 2022.

On 6 July 2022, the European Parliament approved the inclusion of nuclear power and natural gas in the EU taxonomy for sustainable activities based on a proposal by the European Commission. Nuclear power is to be classified as an environmentally sustainable investment, and the change is scheduled to take effect on 1 January 2023.

Outlook

During the current financial period, power and heat production are expected to continue as normal. The test production phase of the OL3 EPR plant unit and the start of commercial operation will increase Pohjolan Voima's electricity supply volume.

TVO will continue with the test production phase of the OL3 EPR unit, with the aim of starting regular electricity production in December 2022. During the test production phase, the power output of the plant unit will be increased gradually to 1,600 MW. TVO will follow the fulfilment of the conditions according to the 2018 settlement agreement and the amendment agreements signed in June 2021, as well as the commissioning stages of OL3 to ensure they are carried out according to the Plant Supplier's schedule ensuring financial and technical resources.

Helsinki, 26 August 2022

Pohjolan Voima Oyj
Board of Directors

KEY FIGURES INCLUDING CALCULATION

M€	1.1. - 30.6.2022	1.1. - 30.6.2021	1.1. - 31.12.2021
Sales	282	255	471
Operating profit or loss	-29	-12	-20
Balance sheet total	2 174	2 168	2 174
Investments	4	4	7
Equity on assets ratio	42%	41%	41%
Average number of personnel	44	64	54
Equity on assets ratio	30.6.2022	30.6.2021	31.12.2021
Equity, 1000 €	922 458	888 693	882 279
Total assets, 1000 €	2 174 133	2 168 111	2 174 091
EQUITY ON ASSETS RATIO (%)	42%	41%	41%

POHJOLAN VOIMA GROUP
January-June 2022
The half-year financial report is unaudited

FINANCIAL STATEMENT SUMMARY AND NOTES TO THE FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1 000 €	Note	1.1. - 30.6.2022	1.1. - 30.6.2021	1.1. - 31.12.2021
Continuing operations				
Sales	2	281 508	254 934	470 550
Other operating income		872	355	2 512
Materials and services		-235 663	-192 954	-370 729
Personnel expenses		-2 925	-4 523	-7 105
Depreciation, amortisation and impairment	3	-15 648	-35 993	-51 883
Other operating expenses		-19 567	-20 412	-47 584
Share of (loss)/profit of associates and joint ventures		-37 877	-13 088	-15 735
Operating profit or loss		-29 300	-11 681	-19 974
Finance income		14 479	3 825	8 408
Finance costs		-6 845	-7 303	-14 826
Finance costs - net		7 634	-3 478	-6 418
Profit/loss before income tax		-21 666	-15 159	-26 392
Income tax expense		-	-	-1
Profit/loss for the period from continuing operations		-21 666	-15 159	-26 393
Discontinued operations				
Profit/loss from discontinued operations		-222	-1 050	-557
Profit/loss for the period		-21 888	-16 209	-26 950
Other comprehensive income:				
Items, that may be reclassified later to profit or loss				
Share of other comprehensive income of associates				
Cash flow hedging		76 548	14 400	25 952
Other comprehensive income for the period		76 548	14 400	25 952
Total comprehensive income for the period		54 660	-1 809	-998
Profit attributable to:				
Owners of the parent		-22 437	-16 996	-26 731
Non-controlling interest		549	787	-219
		-21 888	-16 209	-26 950
Total comprehensive income attributable to:				
Owners of the parent		54 111	-2 596	-779
Non-controlling interest		549	787	-219
		54 660	-1 809	-998

CONSOLIDATED BALANCE SHEET

1 000 €	Note	30.6.2022	30.6.2021	31.12.2021
ASSETS				
Non-current assets				
Intangible assets	3	284 170	282 624	284 091
Property, plant and equipment	3	356 883	410 990	368 611
Investments in associated companies and joint ventures		783 653	736 077	744 981
Other financial assets		471	483	471
Loans and other receivables		604 443	596 529	596 530
Non-current assets total		2 029 620	2 026 703	1 994 684
Current assets				
Inventories		4 064	6 993	6 131
Trade and other receivables		97 884	78 336	103 371
Cash and cash equivalents	4	42 390	53 563	38 430
Current assets total		144 338	138 892	147 932
Assets held for sale		175	2 516	31 475
Total assets		2 174 133	2 168 111	2 174 091
EQUITY				
Equity attributable to owners of the parent				
Share capital		54 962	55 321	55 321
Share premium		203 865	205 999	203 865
Reserve for invested non-restricted equity		311 176	327 644	322 778
Revaluation reserve		86 753	-1 347	10 205
Subordinated shareholders loans (hybrid equity)		90 347	90 347	90 347
Retained earnings		136 197	168 870	158 910
Total		883 300	846 834	841 426
Non-controlling interests		39 158	41 859	40 853
Total equity		922 458	888 693	882 279
LIABILITIES				
Non-current liabilities				
Provisions		5 770	5 064	6 076
Borrowings	4	1 074 235	1 080 137	1 082 398
Other non-current liabilities		-	7 838	4 662
Non-current liabilities total		1 080 005	1 093 039	1 093 136
Current liabilities				
Borrowings	4	104 661	137 850	116 087
Trade and other payables		67 009	48 529	61 486
Current liabilities total		171 670	186 379	177 573
Liabilities related to assets held for sale		-	-	21 103
Total liabilities		1 251 675	1 279 418	1 291 812
Total equity and liabilities		2 174 133	2 168 111	2 174 091

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

1 000 €	1.1. - 30.6.2022	1.1. - 30.6.2021	1.1. - 31.12.2021
Cash flow from operating activities			
Profit/loss for the period	-21 888	-16 209	-26 950
Adjustments, total	45 363	52 400	76 227
Change in working capital	18 729	1 563	-12 040
Cash generated from operations	42 204	37 754	37 237
Finance cost, net	-9 722	-9 090	-11 959
Income taxes paid	-	-	-1
Net cash generated from operating activities	32 482	28 664	25 277
Cash flow from investing activities			
Capital expenditure	-3 999	-3 760	-7 216
Proceeds from sales of fixed assets	345	253	971
Proceeds from sale of subsidiaries	11 962	-	-
Net cash used in investing activities	8 308	-3 507	-6 245
Cash flow before financing activities	40 790	25 157	19 032
Cash flow from financing activities			
Acquisition and annulment of own shares	-359	-	-
Equity refunds paid	-11 602	-	-7 000
Interest paid of subordinated shareholders loans (hybrid equity)	-276	-224	-491
Net charge in loans and other financing activities	-23 701	-15 682	-17 423
Net cash used in financing activities	-35 938	-15 906	-24 914
Net increase (+)/decrease (-) in cash and cash equivalents	4 852	9 251	-5 882
Cash and cash equivalents at beginning of year	38 430	44 312	44 312
Cash and cash equivalents of subsidiaries sold	-892	-	-
Cash and cash equivalents at end of the period	42 390	53 563	38 430

Cash flow from discontinued operations is disclosed in the note 5.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1 000 €	Share capital	Share premium	Fair value reserve	Reserve for invested non-restricted equity	Subordinated shareholder's loans (hybrid equity)	Retained earnings	Equity attributable to owners of the parent	Equity attributable to non-controlling interest	Total equity
Balance at 1.1.2021	55 321	205 999	-15 747	327 644	90 347	186 132	849 696	41 072	890 768
Comprehensive income									
Profit or loss for the period						-16 996	-16 996	787	-16 209
Other comprehensive income:									
Cash flow hedges			14 400				14 400		14 400
Total comprehensive income for the period	0	0	14 400	0	0	-16 996	-2 596	787	-1 809
Transactions with owners									
Interest paid of subordinated shareholders loans (hybrid equity)						-266	-266		-266
Transactions with owners total	0	0	0	0	0	-266	-266	0	-266
Balance at 30.6.2021	55 321	205 999	-1 347	327 644	90 347	168 870	846 834	41 859	888 693
Balance at 1.1.2021	55 321	205 999	-15 747	327 644	90 347	186 132	849 696	41 072	890 768
Comprehensive income									
Profit or loss for the period						-26 731	-26 731	-219	-26 950
Other comprehensive income:									
Cash flow hedges			25 952				25 952		25 952
Total comprehensive income for the period	0	0	25 952	0	0	-26 731	-779	-219	-998
Transactions with owners									
Interest paid of subordinated shareholders loans (hybrid equity)						-491	-491		-491
Refund of reserves				-7 000			-7 000		-7 000
Transfer to reserve for invested non-restricted equity		-2 134		2 134					0
Transactions with owners total	0	-2 134	0	-4 866	0	-491	-7 491	0	-7 491
Balance at 31.12.2021	55 321	203 865	10 205	322 778	90 347	158 910	841 426	40 853	882 279
Balance at 1.1.2022	55 321	203 865	10 205	322 778	90 347	158 910	841 426	40 853	882 279
Comprehensive income									
Profit or loss for the period						-22 437	-22 437	549	-21 888
Other comprehensive income:									
Cash flow hedges			76 548				76 548		76 548
Total comprehensive income for the period	0	0	76 548	0	0	-22 437	54 111	549	54 660
Transactions with owners									
Interest paid of subordinated shareholders loans (hybrid equity)						-276	-276		-276
Non-controlling interest of the sold group companies								-2 244	-2 244
Acquisition and annulment of own shares	-359						-359		-359
Refund of the reserve for invested non-restricted equity				-11 602			-11 602		-11 602
Transactions with owners total	-359	0	0	-11 602	0	-276	-12 237	-2 244	-14 481
Balance at 30.6.2022	54 962	203 865	86 753	311 176	90 347	136 197	883 300	39 158	922 458

NOTES TO THE FINANCIAL STATEMENTS RELEASE

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial statements release has been prepared in accordance with IAS 34 Interim Financial Reporting. The financial statements release should be read in conjunction with the consolidated financial statements for the year ended 31 December 2021. The accounting policies adopted are consistent with those of the Group's annual financial statements for the year ended 31 December 2021.

The preparation of the half-year financial report in conformity with IFRS requires the management to make estimates and assumptions in the process of applying the Group's accounting principles. Although these estimates and assumptions are based on the management's best knowledge of today, the final outcome may differ from the estimated values presented in the financial statements. The figures in the tables are exact figures and consequently the sum of individual figures may deviate from the sum presented.

The Ukrainian situation has not had direct effect on the Group's operations or the production of electricity. The impact of COVID-19 on Pohjolan Voima's financial statements has been minor. The Group expects that it will continue to operate and meet its liabilities as they fall due.

1 SEMIANNUAL SEGMENT INFORMATION

TURNOVER BY SEGMENTS

1 000 €	1.1. - 30.6.2022	1.1. - 30.6.2021	1.1. - 31.12.2021
Hydropower	18 905	14 403	29 525
Thermal power	182 998	202 665	326 149
Nuclear power	98 159	87 486	169 552
Other	63 292	37 569	91 748
Internal sales	-81 846	-87 189	-146 424
Total	281 508	254 934	470 550
Discontinued operations	23	59	2 716

PROFIT/LOSS FOR THE PERIOD BY SEGMENTS

1 000 €	1.1. - 30.6.2022	1.1. - 30.6.2021	1.1. - 31.12.2021
Hydropower	89	-1 545	-3 329
Thermal power	-434	-459	-7 931
Nuclear power	-38 907	-15 790	-21 278
Other	17 586	2 635	6 145
Total	-21 666	-15 159	-26 393
Discontinued operations	-222	-1 050	-557

ASSETS BY SEGMENTS

1 000 €	30.6.2022	30.6.2021	31.12.2021
Hydropower	448 280	442 183	447 687
Thermal power	326 020	394 508	386 716
Nuclear power	1 286 832	1 236 128	1 245 756
Other	116 993	105 449	113 316
Other non-current receivables	7 827	-	-
Elimination	-11 819	-10 157	-19 384
Total	2 174 133	2 168 111	2 174 091

LIABILITIES BY SEGMENTS

1 000 €	30.6.2022	30.6.2021	31.12.2021
Hydropower	159 699	151 908	159 195
Thermal power	171 353	216 362	214 226
Nuclear power	782 581	782 581	782 581
Other	149 861	130 886	153 470
Other non-current liabilities	-	7 838	4 662
Elimination	-11 819	-10 157	-22 322
Total	1 251 675	1 279 418	1 291 812

2 REVENUE

1 000 €	1.1. - 30.6.2022	1.1. - 30.6.2021	1.1. - 31.12.2021
Sales of electricity produced	165 520	153 708	279 937
Sales of heat produced	71 507	80 479	138 731
Sales of purchased electricity	32 721	11 831	42 215
Other sales	11 760	8 916	9 667
Total	281 508	254 934	470 550

Electricity delivered to shareholders (GWh)

	1.1. - 30.6.2022	1.1. - 30.6.2021	1.1. - 31.12.2021
Electricity produced	5 959	5 552	11 713
Heat produced	1 970	2 020	3 374
Purchased electricity	354	321	645

3 CHANGES IN INTANGIBLES ASSETS AND PROPERTY, PLANT AND EQUIPMENT

1 000 €	30.6.2022	30.6.2021	31.12.2021
Opening balance	652 702	726 458	726 458
Depreciation, amortization and impairment	-15 648	-35 993	-51 883
Additions	7 622	4 880	11 949
Disposals	-3 623	-1 731	-2 810
Transferred to assets held for sale	-	-	-31 012
Closing balance	641 053	693 614	652 702

4 INTEREST-BEARING NET DEBT AND LIQUIDITY

1 000 €	30.6.2022	30.6.2021	31.12.2021
Current interest bearing liabilities	104 661	137 850	116 087
Non-current interest bearing liabilities	1 074 235	1 080 137	1 082 398
Interest bearing liabilities	1 178 896	1 217 987	1 198 485
Loan receivables	559 733	559 733	559 733
Cash and equivalents and other current financial assets	43 161	53 974	38 765
Interest bearing net debt	576 002	604 280	599 987
Liquidity, unused committed credit facilities and debt programs	30.6.2022	30.6.2021	31.12.2021
Cash and equivalents and other current financial assets	43 161	53 974	38 765
Unused committed credit facilities	350 000	329 000	329 000
Total	393 161	382 974	367 765
In addition:			
Unused commercial paper program	210 000	209 100	200 000

5 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Discontinued operations

1 000 €	1.1. - 30.6.2022	1.1. - 30.6.2021	1.1. - 31.12.2021
Income	121	270	3 810
Costs	-343	-1 320	-4 367
Profit before income tax	-222	-1 050	-557
Income tax expense	-	-	-
Profit from discontinued operations	-222	-1 050	-557

Cash flow from discontinued operations

1 000 €	1.1. - 30.6.2022	1.1. - 30.6.2021	1.1. - 31.12.2021
Cash flows from operating activities	2 228	-1 103	-1 773
Cash flows from investing activities	88	139	907
Cash flows total	2 316	-964	-866

Pohjolan Voima's extraordinary general meeting approved on 25 October 2021 the sale of shares in Hämeenkyrön Voima Oy to Metsä Board Corporation. The share transaction took place on 1 January 2022. Hämeenkyrö Voima's intangible and tangible assets as well as receivables were presented as assets held for sale and liabilities accordingly as liabilities related to assets held for sale in 2021.

Board of Directors of PVO-Lämpövoima Oy decided 27 October 2015 to propose, that the electricity production of condensing power plants in Kristiinankaupunki and Pori Tahkoluoto will be terminated. PVO's extraordinary shareholders' meeting approved the decision 13 November 2015. PVO-Lämpövoima's operations are presented in the financial statement 2015-2021 as discontinued operations. PVO-Lämpövoima's tangible assets and inventory are presented as assets held for sale in 2022 and 2021.

Assets held for sale

1 000 €	30.6.2022	30.6.2021	31.12.2021
Intangible assets	-	-	1 315
Tangible assets	175	2 516	29 877
Trade and other receivables	-	-	283
Total	175	2 516	31 475

Liabilities related to assets held for sale

1 000 €	30.6.2022	30.6.2021	31.12.2021
Provisions	-	-	291
Borrowings	-	-	18 216
Trade and other payables	-	-	2 596
Total	-	-	21 103

6 FINANCIAL INSTRUMENTS

The Group has not made any significant changes in policies regarding risk management during the reporting period. Aspects of the Group's financial risk management objective and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2021.

1 000 €	30.6.2022		30.6.2021		31.12.2021	
	Net fair value	Nominal value	Net fair value	Nominal value	Net fair value	Nominal value
Interest rate swaps, non-hedge accounting	7 785	250 000	-8 110	243 000	-4 927	263 000

Financial assets and liabilities by measurement categories and fair value hierarchy as of 30 June 2022

1 000 €	Fair value through profit and loss	Financial liabilities carried at amortised cost	Carrying value	Fair value, when different to book value	Level 1	Level 2	Level 3
Non-current financial assets							
Other financial assets	471		471				471
Loan receivables		559 733	559 733				
Derivative financial instruments	7 827		7 827		7 827		
Other receivables		36 883	36 883				
	8 298	596 616	604 914		7 827		471
Current financial assets							
Cash and cash equivalents		42 390	42 390				
Loan receivables		771	771				
Trade and other receivables		59 830	59 830				
Prepayments and accrued income		37 283	37 283				
		140 274	140 274				
Total	8 298	736 890	745 188		7 827		471
Non-current financial liabilities							
Borrowings from associates and joint ventures		350 000	350 000				
Borrowings		332 900	332 900				
Bonds		274 564	274 564	264 740	264 740		
Lease liabilities		116 771	116 771				
		1 074 235	1 074 235	264 740	264 740		
Current financial liabilities							
Loans and commercial papers		94 418	94 418				
Trade payables and other current liabilities		66 967	66 967				
Lease liabilities		10 243	10 243				
Derivative financial instruments	42		42			42	
	42	171 628	171 670			42	
Total	42	1 245 863	1 245 905	264 740	264 740	42	

Financial instruments that are measured at fair value in the balance sheet are presented according to fair value measurement hierarchy:

Level 1: quoted prices in active markets for identical assets or liabilities. Interest-bearing liabilities at level 1 consist of listed bonds.

Level 2: inputs other than quoted price included within Level 1 that are observable for the assets or liability, either directly or indirectly

Level 3: inputs for the assets or liability that is not based on observable market data (unobservable inputs)

The fair value of other financial instruments are not materially different from their carrying amount. Other financial assets in Fair value through profit or loss -category include unlisted shares for which the fair value cannot be reliably determined.

7 RELATED PARTY TRANSACTIONS

Transactions with related parties, 1000 €

Related party transactions relate to normal business operations of Pohjolan Voima.

	30.6.2022			
	Sales	Purchases	Receivables	Liabilities
Associates and joint ventures	12 173	136 689	631 881	383 975
UPM-Kymmene Group	124 972	46 553	23 065	6 691
30.6.2021				
	Sales	Purchases	Receivables	Liabilities
Associates and joint ventures	5 630	116 393	624 321	368 812
UPM-Kymmene Group	101 593	38 861	17 704	5 304
31.12.2021				
	Sales	Purchases	Receivables	Liabilities
Associates and joint ventures	24 427	205 866	628 331	361 821
UPM-Kymmene Group	188 971	74 915	24 062	7 653

8 CONTINGENT LIABILITIES AND ASSETS AND PURCHASE COMMITMENTS

1 000 €	30.6.2022	30.6.2021	31.12.2021
On behalf of own loans			
Pledged deposits	33	33	34
Other contingent liabilities	116 750	6 572	18 792
On behalf of associated companies and joint ventures			
Guarantees	30	30	30
Guarantee according to Nuclear Energy Act	317 991	286 664	286 664
Total	434 804	293 299	305 520

Guarantee under the Nuclear Energy Act

According to the Finnish Nuclear Energy Act, Teollisuuden Voima, a joint venture of which Pohjolan Voima owns 58.5%, is obliged to fund the decommissioning of nuclear power plants and final disposal of spent nuclear fuel through the Finnish State Nuclear Waste Management Fund.

The amount of the contingent liability is determined by the administrative authority (Ministry of Employment and Economy) based on the Nuclear Energy Act. The directly enforceable guarantees relating to Nuclear waste management given by the shareholders of Teollisuuden Voima Oyj cover the uncovered portion of nuclear waste management liability as well as a liability for any unforeseen expenses of nuclear waste management in accordance with the Nuclear Energy Act. The directly enforceable guarantee given by Pohjolan Voima is 318 (286.7) million Euros.

Investment commitments

Joint ventures

Pohjolan Voima Oyj has committed to an investment into the nuclear power plant Olkiluoto 3 EPR built by Teollisuuden Voima Oyj during 2004 to 2022. The commitment consists of a 432 million Euros investment, a shareholder loan of 108 million and an additional shareholder loan of a maximum of 693 million Euros. As at 30 June 2022 Pohjolan Voima Oyj has fulfilled 992 (992) million Euros of its commitments. Investments are based on the financial plan of Olkiluoto 3 EPR, according to which capital is raised in accordance with the progress of the project.

9 EVENTS AFTER THE REPORTING PERIOD

Maintenance and repair activities were completed at the TVO OL3 EPR plant unit and test production phase was resumed on 8 August 2022.

On 6 July 2022, the European Parliament approved the inclusion of nuclear power and natural gas in the EU taxonomy for sustainable activities based on a proposal by the European Commission. Nuclear power is to be classified as an environmental-ly sustainable investment, and the change is scheduled to take effect on 1 January 2023