



Pohjolan Voima Financial Statements Release

2022



POHJOLAN VOIMA OYJ'S FINANCIAL STATEMENTS RELEASE 2022

**Pohjolan Voima's heat and power production continued at the normal level
97% of the electricity produced in 2022 was carbon-neutral
Teollisuuden Voima proceeded in the OL3 plant unit test production phase**

Operating environment

Russia's offensive warfare in Ukraine triggered a pan-European energy crisis, and Europe is moving quickly to break its dependence on Russian energy. Energy prices have been high at times, and concerns about security of supply have become a key energy policy issue. In Finland, the situation was affected by the end of electricity and wood fuel imports from Russia and a strong increase in weather-dependent production, among other things.

Decision-makers in the EU and Finland have proposed and introduced several measures aimed specifically at assisting consumers in coping with their large electricity bills. The EU adopted a Council Regulation requiring Member States to impose a revenue cap of €180/MWh on electricity producers and to allocate the collected revenue to consumers. In Finland, the regulation will be implemented through a temporary tax on which the Government submitted a proposal to Parliament in December 2022. According to the proposal, electricity producers participating in the electricity market will have to pay an additional 30% of corporation tax on any revenue from electricity business exceeding the 10% revenue calculated from the equity committed to electricity operations. Based on the preliminary assessment the proposal does not apply to Pohjolan Voima's operations.

In 2022, electricity consumption in Finland was 82 TWh (86.8 TWh in 2021). Of this volume, 69 (69) TWh was produced in Finland, while net imports into Finland amounted to 13 (17) TWh. Imported electricity covered 15.9% (20.1%) of Finnish electricity consumption. Most of the imported electricity came from Sweden. In 2022, electricity consumption in Finland decreased by 6% year-on-year. Industrial electricity consumption decreased by 6%, and electricity consumption in other sectors also decreased by 6%.

Nord Pool Spot trade amounted to 1,077 (956) TWh. The annual average system price in 2022 was high, at €135.86 (62.31) per MWh, while the annual average of the Finnish area price was €154.04 (72.34) per MWh. Imports of gas and electricity from Russia fell significantly during the spring and summer, leading to a sharp rise in prices. The hot and dry summer in Europe, as well as challenges at nuclear power plants in France and elsewhere, also contributed to the price crisis.

The EUA emission allowance price remained high throughout the year, varying between €57.91 and €97.51.

Weather-dependent production continued to grow. Challenges related to the balancing of the electrical power system and the integration of energy flows from different industries by developing hydrogen technology, among other measures, are even more important than before.

Climate change remains one of the megatrends driving the energy industry. The end of natural gas imports from Russia to Europe will contribute to an acceleration of the

transition to carbon neutral production. Protection of biodiversity began to emerge as a future megatrend alongside climate change mitigation.

Finland's climate target is to be carbon neutral by 2035 and carbon negative shortly thereafter. The Government submitted a report on the national climate and energy strategy to Parliament in the summer of 2022, and the debate in Parliament continued in 2023. 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. At the end of 2022, the debate on meeting the climate target intensified when estimates by Natural Resources Institute Finland showed that forest carbon sinks are lower than previously estimated.

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 level of 1990 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. In addition to the emergency packages to tackle the energy crisis, the Commission adopted a proposal for a regulation on nature restoration.

In Finland, the energy crisis has contributed to the fact that several legislative projects in the Government Programme have not progressed. Proposals that the current Government will not make during its term include exempting cost-price nuclear power production from interest expense deduction restrictions, a proposal on value creation in real estate taxation, amending the Water Act in relation to "zero obligation" power plants, as well as a long-term overall reform of energy taxation. However, preparation of these projects will continue.

Pohjolan Voima's heat and power production

In 2022, Pohjolan Voima's total electricity supply was 12.9 (12.4) TWh. The Group's own electricity production accounted for 12.2 (11.7) TWh, of which the parent company's supplies to its shareholders were 11.9 (11.3) TWh. The subsidiaries supplied 0.3 (0.5) TWh to their other shareholders. Purchases from the Nordic electricity markets were 0.7 (0.6) TWh, and sales amounted to 0.4 (0.2) TWh. Heat deliveries were 3.1 (3.5) TWh.

Nuclear power made up 72.2% (66.2) of the electricity supply, increasing after the Olkiluoto 3 power plant unit started producing electricity during its commissioning. Teollisuuden Voima Oyj's (TVO) Olkiluoto nuclear power plant generated 16.4 (14.4) TWh of electricity, of which Pohjolan Voima obtained 9.3 (8.2) TWh, in accordance with its shareholding. The joint capacity factor of the Olkiluoto plant units was 93.0% (92.8).

Hydropower accounted for 1.7 (2.1) TWh, or 12.9% (16.6) of the electricity supply. Hydropower production remained slightly below the average due to a drier-than-

normal latter part of the year. A total of 1.2 (1.5) TWh of electricity was produced in combined heat and power (CHP) plants. Their share of the total supply was 9.6% (11.9).

In 2022, approximately 97% of the electricity and 80% of the heat produced by Pohjolan Voima was carbon neutral.

| <i>Electricity supply (GWh)</i> | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|
| <i>Nuclear power</i> | 7,987 | 8,366 | 8,279 | 8,186 | 9,336 |
| <i>Hydropower</i> | 1,524 | 1,631 | 2,216 | 2,056 | 1,663 |
| <i>CHP</i> | 2,065 | 1,669 | 1,312 | 1,471 | 1,235 |
| <i>Condensing power</i> | 409 | 0 | 0 | 0 | 0 |
| <i>Electricity purchases</i> | 543 | 423 | 490 | 646 | 671 |
| <i>Total</i> | 12,528 | 12,089 | 12,298 | 12,360 | 12,906 |

Key events in 2022

In December 2021, the Radiation and Nuclear Safety Authority (STUK) granted TVO a criticality and low power test licence, 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 in stages 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 commissioning 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. On 19 October 2022, damage detected in the internals of feedwater pumps was reported. On 21 November 2022, the company announced that an investigation of the faults would be completed in December. The company also stated that according to information from the plant supplier Areva-Siemens electricity production would not continue before 11 December 2022, and regular electricity production would not start before the end of January 2023. On 21 December 2022, Pohjolan Voima Oyj announced that electricity production at OL3 would continue on 27 December 2022, and regular electricity production would start on 8 March 2023.

On 29 June 2022, Pohjolan Voima Oyj signed a new €350 million revolving credit facility to replace previous facilities totalling €329 million. The new facility has a maturity period 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 15 November 2022, the extraordinary general meeting of Pohjolan Voima Oyj approved an extension of the validity of shareholder loan commitments between the company and shareholders of B2 series shares until 31 December 2023. An

extension of the subscription period for shares covered by first refusal clause 1B/2020 to 1 January 2024 was simultaneously approved.

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.

Pohjolan Voima's joint venture Vaskiluodon Voima Oy sold its business on 31 December 2022, which meant that the joint venture terminated the energy production. The transaction completed an arrangement agreed by the owners of Vaskiluodon Voima in 2019.

Result from operations and financing

Pohjolan Voima operates on 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 targets and risks of Pohjolan Voima's financing operations have been defined in a financing policy approved by the parent company's Board of Directors. The financial risks of Pohjolan Voima's business operations are related to liquidity, market and credit risks. Financial risk management is covered in note 3 to the consolidated financial statements, Financial risk management.

The Group's liquidity is good. On 31 December 2022, cash and cash equivalents totalled €36 (38) million, and the Group had €350 (329) million of unused binding credit facility agreements. The credit facility agreement will mature in June 2027 and includes two one-year extension options. For short-term funding, the Group had a domestic commercial paper programme of €300 (300) million, of which €99 (100) million had been used.

The Group's interest-bearing liabilities amounted to €1,181 (1,198) million. There were no liabilities involving an exchange rate risk, and the Group's loan agreements do not include any financial covenants.

At the end of the year, the Group's equity ratio was 44.3% (40.6%). Consolidated turnover from continuing operations was €610.2 (470.6) million. Consolidated turnover increased as the energy production volume grew. The consolidated result for the financial period was €3.1 (-27.0) million. The result for the financial period was affected by a positive change in the value of derivatives recorded at fair value and the positive result of the parent company Pohjolan Voima Oyj. The parent company started to invoice the shareholders of B2 series shares for the costs incurred during the construction of the OL3 project after the start of the test production at OL3.

Investments

Total investments of Pohjolan Voima Group, excluding financial investments and the purchase of emission allowances, amounted to €7.2 (6.9) million.

PVO-Vesivoima Oy invested in the repair of a dam at the Melo power plant, and the repair project was completed in December. A downstream migration route for migratory fish built at the Haapakoski power plant was opened in the autumn. PVO-Vesivoima's investments totalled €5.7 million. The Group's remaining investments were made in replacements and renovations.

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

Research and development

Research and development expenditure during the financial period totalled €64 thousand (2021: 35 and 2020: 78).

Personnel

The average number of employees working for the Group was 42 (2021: 54 and 2020: 82). The number of employees decreased due to the closure of Laanila Voima in 2021. The Group's salaries and fees for the financial period totalled €4.6 million (2021: 5.9 and 2020: 7.2). The average age of permanent employees was 48 (47) years. During the year, ten (31) permanent employment contracts were terminated, and six (three) new permanent employment contracts were signed. The absenteeism rate was 0.75 (1.03). The Group annually conducts a personnel satisfaction survey. We achieved the top People Power rating of AAA in the Eezy Flow survey for the third year in a row.

The average number of employees working for the parent company was 27 (2021: 30 and 2020: 35). Salaries and fees for the financial period totalled €3.4 million (2021: 3.7 and 2020: 3.9).

Corporate responsibility

Pohjolan Voima's strategy was updated in 2022, and responsibility was incorporated more strongly into the strategy. Our strategy slogan "We create decisive power to strengthen competitiveness and contribute to a better tomorrow" reflects our sense of responsibility. In line with the strategic theme "sustainable production on market terms", we aim to be a responsible operator and reconcile competitive carbon-neutral production with biodiversity. Our strategy emphasises sustainability in all our business operations.

Pohjolan Voima is committed to compliance with all applicable laws and regulations. The Group's operating principles include principles on human rights, labour rules and anti-corruption. Pohjolan Voima expects its partners to comply with the same principles.

Pohjolan Voima has selected four of the UN Sustainable Development Goals, which we promote through our operations: affordable and clean energy, decent work and

economic growth, life on land and partnership for the goals. We have prepared an annually updated sustainability programme to ensure compliance with the UN Sustainable Development Goals.

In 2022, sustainability and biodiversity was one of Pohjolan Voima Group's flagship projects. As part of the flagship project, we developed sustainability reporting, prepared a biodiversity action plan for 2023–2027, updated the sustainability section of our supplier guidelines and defined sustainability issues to be taken into account in all decision-making. We also produced a climate risk report on the impact of climate change and launched a study to allow commitment to the Science Based Targets initiative in 2023. We will continue our work on all these areas in 2023.

A total of 97% (96%) of our electricity and 80% (81%) of our heat production was carbon neutral. The decrease in the carbon neutral share of heat production was caused by the fact that a strike in the forest industry early in the year and Russia's offensive warfare in Ukraine reduced the use of wood-based fuels and increased the use of peat in our combined heat and power (CHP) plants. We introduced Finland's first downstream migration solution for migratory fish at the Haapakoski hydropower plant on the Iijoki river. For the first time, the margin of the revolving credit facility that was signed in the summer of 2022 was linked to the achievement of Pohjolan Voima's sustainability targets.

For more information about Pohjolan Voima's sustainability targets and the related work, visit the company's website at www.pohjolanvoima.fi.

Reporting according to the EU taxonomy

Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, i.e. the EU taxonomy, was published in 2020. The aim of the taxonomy is to increase sustainable investments and direct capital flows towards technologies and businesses that are considered sustainable. In 2021, the European Commission adopted a delegated disclosure regulation for the EU taxonomy, which obliged large public interest entities to provide information for the financial year 2021 on the share of taxonomy-eligible and non-taxonomy-eligible economic activities in their combined turnover, investments and operating costs. In 2022, the Commission also published a complementary delegated act on the criteria for certain gas and nuclear activities, according to which nuclear power and gas will become part of the EU taxonomy as "transitional activities" from the accounting period that starts on 1 January 2023. Pohjolan Voima is not obliged to report in accordance with the taxonomy but has assessed its taxonomy eligibility and taxonomy alignment due to the significance of its financial activities and will publish its taxonomy report as part of the annual report in week 11.

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. Nearly all our production companies have also signed energy efficiency agreements for the 2017–2025 period. Furthermore, the environmental management system of TVO (a joint venture of Pohjolan Voima) is EMAS-registered.

Water levels were regulated and hydropower plants operated in compliance with the permit conditions. In line with its obligations, PVO-Vesivoima stocked the Iijoki and Kemijoki waterways and the sea area with around 2.8 (2.3) million fry during the reporting period.

PVO-Vesivoima participated in the Iijoki project on migratory fish in 2020–2022, which was a continuation of the migratory fish spearhead project of 2017–2020. Finland's first downstream migration route for migratory salmon fry, included in the project, was completed in Haapakoski in November 2021. The project also promoted the Raasakka fishway. Furthermore, PVO-Vesivoima will participate in the subsequent migratory fish project, the Lohi Iijokeen (Salmon to Iijoki) project in 2022–2024. Project measures include smolt monitoring in the Haapakoski and Pahkakoski rapids, experimental use and development of the downstream migration route, the transfer of smolt and anadromous fish, a fry transplanting programme and the production of a video on the Iijoki river.

In December 2020, the Regional State Administrative Agency for Northern Finland granted a water management permit applied for by PVO-Vesivoima 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, 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 (ELY Centre) for Lapland filed a petition of appeal 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 ELY Centre filed a similar petition concerning the Iijoki river. In addition to entirely new requirements, these involve 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 accounts and statements issued by the Finnish Environment Institute. The petitioner submitted its rejoinder to the statements in April 2022, and PVO-Vesivoima submitted its rejoinder to this rejoinder in June 2022. The Regional State Administrative Agency for Northern Finland did not issue a decision on either matter by the end of 2022.

All the thermal power plants operated by the Group fall within the sphere of the Emissions Trading Act (Päästökauppalaki 311/2011). Carbon dioxide emissions from the production of electricity and heat amounted to 0.6 (0.6) million tonnes. The notes to the financial statements only report the CO₂ emissions of the subsidiaries, which amounted to 0.3 (0.3) million tonnes. Emissions into the air remained at the previous year's level. Sulphur dioxide emissions amounted to 0.5 (0.5) thousand tonnes, nitrogen oxide emissions to 1.5 (1.8) thousand tonnes and particle emissions to 0.1 (0.1) thousand tonnes.

BAT conclusions related to the reference document on best available techniques for large combustion plants (LCP-BREF) 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 2021. The emission limits for new environmental permits will be stricter.

Pohjolan Voima and its subsidiaries, associated companies and joint ventures are not aware of any environmental liabilities that have not been covered. Pohjolan Voima's more detailed environmental information is published on the company's 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.

Risk management

Risk management aims to ensure the realisation of the strategy and the achievement of the business goals, as well as to safeguard continuity and disturbance-free operations. Risk management is carried out in line with the Group's risk management policy. The Group applies a decentralised risk management model: each subsidiary's Board of Directors and the parent company's units are responsible for the risks related to their operations, as well as the identification and analysis of these risks. Risks that may compromise the achievement of the objectives are estimated, and measures for their management are defined. The significance of the risks is estimated as the sum of their likelihood and impact.

Group-level risks and the significance of these risks are presented in a risk matrix in terms of consequences and likelihood. The Group-level risks are reported to the parent company's Executive Group and Board of Directors in accordance with the annual management schedule.

All Pohjolan Voima companies are covered for risks of damage through measures related to maintenance, occupational health and safety, adequate training provided to the personnel and other necessary measures, as well as through insurance in line with the Group's insurance policy.

Key risks and uncertainties

The Group's most significant risks are related to the schedule of TVO's OL3 project, as well as the sufficient financial capacity of the consortium company Areva to fulfil its responsibilities until the end of the guarantee period and the profit-yielding capacity of the plant unit. Under the plant contract, electricity production was scheduled to start at the end of April 2009. The completion of the project plant unit has been delayed. Regular electricity production at OL3 will commence in March 2023.

A risk related to planned completion refers to a situation where commercial operations cannot be started as planned, which leads to additional costs.

TVO implemented several risk management actions related to the OL3 EPR project in 2022 to promote TVO's readiness to commission the plant unit as well as to operate three nuclear power plant units. TVO closely monitors compliance of the conditions set in the settlement agreement in March 2018 and the amendments to the agreement in June 2021, and ascertains that the commissioning of OL3 is

executed according to the schedule provided by the Plant Supplier and that financial and technical resources are secured.

If the OL3 fails reach the projected output level, load factor or operating cost structure, or if the Finnish national grid limits the capacity level, there is a risk that the production costs will rise to the objective. This risk has been analysed with the help of various scenarios influencing the profit-yielding capacity of OL3. The risk has also been analysed as regards the sufficiency of Fingrid Oyj's system protection and the related costs resulting to TVO.

TVO is implementing several risk management measures to ensure the profit-yielding capacity of OL3. Examples of risk management measures include the utilisation of the experiences gained from the Flamanville and Taishan sister plants during nuclear commissioning of OL3.

In addition, the general economic situation has led to an increase in financial risks. The financial risks of Pohjolan Voima's business operations are related to liquidity, market and credit risks. Diversification of funding sources and long-term credit facilities reduce the financial risks. Financial risk management is covered in note 3 to the consolidated financial statements,

Share capital and share issues

On 31 December 2022, Pohjolan Voima's share capital was €55.0 (55.3) million, and the total number of shares was 32,295,513 (32,509,113). On 25 October 2021, the extraordinary general meeting decided on a reduction of the share capital by €359,249.42, and the reduction was registered during the financial period.

In November 2020, Pohjolan Voima raised a total of €90 million of the shareholder loan commitments that it had received from its shareholders in 2018. The shareholder loans received from shareholders are accompanied by rights of option issued by the company, which entitle the holder to convert the shareholder loan receivable into B2 shares. The granted rights of option entitle the holder to a maximum of 1,613,347 new B2 shares. The subscription period for the rights of option began on 1 January 2021. No rights of option were exercised during the financial period. In December 2020, Pohjolan Voima received new shareholder loan commitments totalling €238 million, which remained unused at the end of the financial period. In connection with the shareholder loan commitments, rights of option were also issued. Their share subscription period will begin on 1 January 2024 and give entitlement to up to 7,198,950 pieces of new B2 shares.

No share issues were carried out during the financial year.

Table: Pohjolan Voima Oyj's shareholders

| Shareholder | Shareholding, % 31 December 2022 | Shareholding, % 31 December 2021 |
|---|---|---|
| EPV Energy Ltd | 5.525 | 5.489 |
| Helen Ltd | 0.623 | 0.619 |
| Ilmarinen Mutual Pension Insurance Company | 1.843 | 1.831 |
| Kemira Oyj (incl. Neliapila pension fund) | 5.093 | 5.060 |
| Kokkolan Voima Oy | 1.815 | 1.803 |
| Kymppivoima Oy | 5.946 | 5.907 |
| Metsä Group (Metsäliitto Cooperative, Metsä Fibre, Metsä Board Oyj) | 3.020 | 3.657 |
| Myllykoski Oyj*) | 0.635 | 0.631 |
| Oulun Energia Ltd | 0.912 | 0.906 |
| Outokumpu Oyj | 0.097 | 0.096 |
| Perhonjoki Ltd | 2.222 | 2.208 |
| City of Pori | 1.376 | 1.366 |
| Rautaruukki Corporation | 0.091 | 0.090 |
| Stora Enso Oyj | 15.711 | 15.608 |
| Finnish Power Ltd | 1.486 | 1.476 |
| UPM Energy Ltd*) | 48.043 | 47.727 |
| UPM Communication Papers Ltd*) | 3.480 | 3.457 |
| Vantaa Energy Ltd | 0.230 | 0.229 |
| Yara Suomi Oy (incl. pension fund) | 1.852 | 1.840 |

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

Management

On 24 March 2022, the annual general meeting appointed the following persons 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. The Board of Directors convened 15 (19) times in 2022. The company's CEO was Ilkka Tykkyläinen, M.Sc. (Eng.), eMBA.

Major legal actions pending

The Group had no pending legal action at the end of the financial period.

At the beginning of the financial period, PVO-Lämpövoima Oy had a pending arbitration procedure regarding a dispute between the company and Alfa Oil Oy. In

the arbitration decision issued in February 2022, Alfa Oil was ordered to meet its obligations without delay.

Events after the end of the financial period

After tests at full reactor capacity, TVO's OL3 plant unit's production was interrupted according to plan in January 2023 in order to replace the impellers of the feedwater pumps. Thereafter, before the start of regular electricity production, an approximately month-long production phase will follow in the test production. Regular electricity production starts in March 2023.

Outlook

During the current financial period, power and heat production are expected to continue as normal. However, the continued commissioning of OL3 and the future start of commercial operation will increase Pohjolan Voima's electricity supply.

TVO is preparing for the start of regular electricity production at OL3 in March 2023 and the provisional takeover of the plant unit in accordance with the Plant Contract. TVO will carefully follow the fulfilment of the conditions according to the 2018 GSA and the amendment agreements signed in June 2021, which continue until the end of the guarantee periods.

Proposal of the Board of Directors regarding the distribution of profit

On 31 December 2022, the parent company's distributable funds totalled €301,963,383.44, of which the net profit for the financial period amounted to €11,498,553.92. The Board of Directors proposes to the annual general meeting that the profit for the financial period be transferred to the retained earnings account, and that no dividend be distributed.

Helsinki, 16 February 2023

Pohjolan Voima Oyj
Board of Directors

KEY FIGURES INCLUDING CALCULATION

| M€ | 1.7. - 31.12.2022 | 1.7. - 31.12.2021 | 1.1. - 31.12.2022 | 1.1. - 31.12.2021 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
| Sales | 329 | 216 | 610 | 471 |
| Operating profit or loss | 13 | -8 | -16 | -20 |
| Balance sheet total | 2 242 | 2 174 | 2 242 | 2 174 |
| Investments | 3 | 3 | 7 | 7 |
| Equity on assets ratio | 44% | 41% | 44% | 41% |
| Average number of personnel | 42 | 54 | 42 | 54 |
| Equity on assets ratio | | | 31.12.2022 | 31.12.2021 |
| Equity, 1000 € | | | 994 133 | 882 279 |
| Total assets, 1000 € | | | 2 242 440 | 2 174 091 |
| EQUITY ON ASSETS RATIO (%) | | | 44% | 41% |

FINANCIAL STATEMENT SUMMARY AND NOTES TO THE FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| 1 000 € | Note | 1.7. - 31.12.2022 | 1.7. - 31.12.2021 | 1.1. - 31.12.2022 | 1.1. - 31.12.2021 |
|--|------|-------------------|-------------------|-------------------|-------------------|
| Continuing operations | | | | | |
| Sales | 2 | 328 685 | 215 616 | 610 193 | 470 550 |
| Other operating income | | 564 | 2 157 | 1 436 | 2 512 |
| Materials and services | | -271 687 | -177 775 | -507 350 | -370 729 |
| Personnel expenses | | -2 533 | -2 582 | -5 458 | -7 105 |
| Depreciation, amortisation and impairment | 3 | -15 556 | -15 890 | -31 204 | -51 883 |
| Other operating expenses | | -27 234 | -27 172 | -46 801 | -47 584 |
| Share of (loss)/profit of associates and joint ventures | | 1 091 | -2 647 | -36 786 | -15 735 |
| Operating profit or loss | | 13 330 | -8 293 | -15 970 | -19 974 |
| Finance income | | 12 635 | 4 583 | 27 114 | 8 408 |
| Finance costs | | -8 792 | -7 523 | -15 637 | -14 826 |
| Finance costs - net | | 3 843 | -2 940 | 11 477 | -6 418 |
| Profit/loss before income tax | | 17 173 | -11 233 | -4 493 | -26 392 |
| Income tax expense | | 8 226 | -1 | 8 226 | -1 |
| Profit/loss for the period from continuing operations | | 25 399 | -11 234 | 3 733 | -26 393 |
| Discontinued operations | | | | | |
| Profit/loss from discontinued operations | | -401 | 493 | -623 | -557 |
| Profit/loss for the period | | 24 998 | -10 741 | 3 110 | -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 | | 47 317 | 11 552 | 123 865 | 25 952 |
| Other comprehensive income for the period | | 47 317 | 11 552 | 123 865 | 25 952 |
| Total comprehensive income for the period | | 72 315 | 811 | 126 975 | -998 |
| Profit attributable to: | | | | | |
| Owners of the parent | | 25 685 | -9 735 | 3 248 | -26 731 |
| Non-controlling interest | | -687 | -1 006 | -138 | -219 |
| | | 24 998 | -10 741 | 3 110 | -26 950 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the parent | | 73 002 | 1 817 | 127 113 | -779 |
| Non-controlling interest | | -687 | -1 006 | -138 | -219 |
| | | 72 315 | 811 | 126 975 | -998 |

CONSOLIDATED BALANCE SHEET

| 1 000 € | Note | 31.12.2022 | 31.12.2021 |
|--|------|------------------|------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | 3 | 285 942 | 284 091 |
| Property, plant and equipment | 3 | 345 568 | 368 611 |
| Deferred tax assets | | 8 231 | - |
| Investments in associated companies and joint ventures | | 832 060 | 744 981 |
| Other financial assets | | 471 | 471 |
| Loans and other receivables | | 610 631 | 596 530 |
| Non-current assets total | | 2 082 903 | 1 994 684 |
| Current assets | | | |
| Inventories | | 13 630 | 6 131 |
| Trade and other receivables | | 110 244 | 103 371 |
| Cash and cash equivalents | 4 | 35 511 | 38 430 |
| Current assets total | | 159 385 | 147 932 |
| Assets held for sale | | 152 | 31 475 |
| Total assets | | 2 242 440 | 2 174 091 |
| EQUITY | | | |
| Equity attributable to owners of the parent | | | |
| Share capital | | 54 962 | 55 321 |
| Share premium | | 203 865 | 203 865 |
| Reserve for invested non-restricted equity | | 311 176 | 322 778 |
| Revaluation reserve | | 134 070 | 10 205 |
| Subordinated shareholders loans (hybrid equity) | | 90 347 | 90 347 |
| Retained earnings | | 161 243 | 158 910 |
| Total | | 955 663 | 841 426 |
| Non-controlling interests | | 38 470 | 40 853 |
| Total equity | | 994 133 | 882 279 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Provisions | | 5 562 | 6 076 |
| Borrowings | 4 | 1 067 707 | 1 082 398 |
| Other non-current liabilities | | - | 4 662 |
| Non-current liabilities total | | 1 073 269 | 1 093 136 |
| Current liabilities | | | |
| Borrowings | 4 | 113 128 | 116 087 |
| Trade and other payables | | 61 910 | 61 486 |
| Current liabilities total | | 175 038 | 177 573 |
| Liabilities related to assets held for sale | | - | 21 103 |
| Total liabilities | | 1 248 307 | 1 291 812 |
| Total equity and liabilities | | 2 242 440 | 2 174 091 |

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

| 1 000 € | 1.7. - 31.12.2022 | 1.7. - 31.12.2021 | 1.1. - 31.12.2022 | 1.1. - 31.12.2021 |
|---|-------------------|-------------------|-------------------|-------------------|
| Cash flow from operating activities | | | | |
| Profit/loss for the period | 24 998 | -10 741 | 3 110 | -26 950 |
| Adjustments, total | 2 398 | 23 827 | 47 761 | 76 227 |
| Change in working capital | -32 458 | -13 603 | -13 729 | -12 040 |
| Cash generated from operations | -5 062 | -517 | 37 142 | 37 237 |
| Finance cost, net | -390 | -2 869 | -10 112 | -11 959 |
| Income taxes paid | -5 | -1 | -5 | -1 |
| Net cash generated from operating activities | -5 457 | -3 387 | 27 025 | 25 277 |
| Cash flow from investing activities | | | | |
| Capital expenditure | -2 738 | -3 456 | -6 737 | -7 216 |
| Proceeds from sales of fixed assets | 12 | 718 | 357 | 971 |
| Proceeds from sale of subsidiaries | - | - | 11 962 | - |
| Net cash used in investing activities | -2 726 | -2 738 | 5 582 | -6 245 |
| Cash flow before financing activities | -8 183 | -6 125 | 32 607 | 19 032 |
| Cash flow from financing activities | | | | |
| Acquisition and annulment of own shares | - | - | -359 | - |
| Equity refunds paid | - | -7 000 | -11 602 | -7 000 |
| Interest paid of subordinated shareholders loans (hybrid equity) | -360 | -267 | -636 | -491 |
| Net charge in loans and other financing activities | 1 664 | -1 741 | -22 037 | -17 423 |
| Net cash used in financing activities | 1 304 | -9 008 | -34 634 | -24 914 |
| Net increase (+)/decrease (-) in cash and cash equivalents | -6 879 | -15 133 | -2 027 | -5 882 |
| Cash and cash equivalents at beginning of year | 42 390 | 53 563 | 38 430 | 44 312 |
| Cash and cash equivalents of subsidiaries sold | - | - | -892 | - |
| Cash and cash equivalents at end of the period | 35 511 | 38 430 | 35 511 | 38 430 |

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

January-December 2022

The financial statements release is unaudited

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 | | | | | | -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 | | 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 | | | | | | 3 248 | 3 248 | -138 | 3 110 |
| Other comprehensive income: | | | | | | | | | |
| Cash flow hedges | | | 123 865 | | | | 123 865 | | 123 865 |
| Total comprehensive income for the period | 0 | 0 | 123 865 | 0 | 0 | 3 248 | 127 113 | -138 | 126 975 |
| Transactions with owners | | | | | | | | | |
| Interest paid of subordinated shareholders loans (hybrid equity) | | | | | | -915 | -915 | | -915 |
| Non-controlling interest of the sold group companies | | | | | | | | -2 245 | -2 245 |
| Acquisition and annulment of own shares | -359 | | | | | | -359 | | -359 |
| Refund of reserves | | | | -11 602 | | | -11 602 | | -11 602 |
| Transactions with owners total | -359 | 0 | 0 | -11 602 | 0 | -915 | -12 876 | -2 245 | -15 121 |
| Balance at 31.12.2022 | 54 962 | 203 865 | 134 070 | 311 176 | 90 347 | 161 243 | 955 663 | 38 470 | 994 133 |

The financial statements release is unaudited

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 during the reporting period. The increase in general cost and interest rate level will however affect the expenses in the near future.

1 SEMIANNUAL SEGMENT INFORMATION

TURNOVER BY SEGMENTS

| 1 000 € | 1.7. - 31.12.2022 | 1.7. - 31.12.2021 | 1.1. - 31.12.2022 | 1.1. - 31.12.2021 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
| Hydropower | 26 756 | 15 122 | 45 661 | 29 525 |
| Thermal power | 154 403 | 123 484 | 337 401 | 326 149 |
| Nuclear power | 131 057 | 82 066 | 229 216 | 169 552 |
| Other | 121 692 | 54 179 | 184 984 | 91 748 |
| Internal sales | -105 223 | -59 235 | -187 069 | -146 424 |
| Total | 328 685 | 215 616 | 610 193 | 470 550 |
| Discontinued operations | 42 | 2 657 | 65 | 2 716 |

PROFIT/LOSS FOR THE PERIOD BY SEGMENTS

| 1 000 € | 1.7. - 31.12.2022 | 1.7. - 31.12.2021 | 1.1. - 31.12.2022 | 1.1. - 31.12.2021 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
| Hydropower | 2 316 | 247 | 2 405 | -3 329 |
| Thermal power | -4 898 | -4 195 | -5 332 | -7 931 |
| Nuclear power | 23 | 1 604 | -38 884 | -21 278 |
| Other | 27 958 | -2 471 | 45 544 | 6 145 |
| Total | 25 399 | -4 815 | 3 733 | -26 393 |
| Discontinued operations | -401 | 494 | -623 | -557 |

ASSETS BY SEGMENTS

| 1 000 € | 31.12.2022 | 31.12.2021 |
|-------------------------------|------------|------------|
| Hydropower | 454 592 | 447 687 |
| Thermal power | 329 596 | 386 716 |
| Nuclear power | 1 336 112 | 1 245 756 |
| Other | 128 985 | 113 316 |
| Other non-current receivables | 14 015 | - |
| Elimination | -20 860 | -19 384 |
| Total | 2 242 440 | 2 174 091 |

LIABILITIES BY SEGMENTS

| 1 000 € | 31.12.2022 | 31.12.2021 |
|-------------------------------|------------|------------|
| Hydropower | 163 696 | 159 195 |
| Thermal power | 180 232 | 214 226 |
| Nuclear power | 782 581 | 782 581 |
| Other | 142 658 | 153 470 |
| Other non-current liabilities | - | 4 662 |
| Elimination | -20 860 | -22 322 |
| Total | 1 248 307 | 1 291 812 |

2 REVENUE

| 1 000 € | 1.7. - 31.12.2022 | 1.7. - 31.12.2021 | 1.1. - 31.12.2022 | 1.1. - 31.12.2021 |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|
| Sales of electricity produced | 173 568 | 126 229 | 339 088 | 279 937 |
| Sales of heat produced | 57 164 | 58 252 | 128 671 | 138 731 |
| Sales of purchased electricity | 64 548 | 30 384 | 97 269 | 42 215 |
| Other sales | 33 405 | 751 | 45 165 | 9 667 |
| Total | 328 685 | 215 616 | 610 193 | 470 550 |

Electricity delivered to shareholders (GWh)

| | 1.7. - 31.12.2022 | 1.7. - 31.12.2021 | 1.1. - 31.12.2022 | 1.1. - 31.12.2021 |
|-----------------------|-------------------|-------------------|-------------------|-------------------|
| Electricity produced | 6 275 | 6 161 | 12 234 | 11 713 |
| Heat produced | 1 158 | 1 354 | 3 128 | 3 374 |
| Purchased electricity | 317 | 324 | 671 | 645 |

3 CHANGES IN INTANGIBLES ASSETS AND PROPERTY, PLANT AND EQUIPMENT

| 1 000 € | 31.12.2022 | 31.12.2021 |
|---|----------------|------------|
| Opening balance | 652 702 | 726 458 |
| Depreciation, amortization and impairment | -31 204 | -51 883 |
| Additions | 13 650 | 11 949 |
| Disposals | -3 638 | -2 810 |
| Transferred to assets held for sale | - | -31 012 |
| Closing balance | 631 510 | 652 702 |

4 INTEREST-BEARING NET DEBT AND LIQUIDITY

| 1 000 € | 31.12.2022 | 31.12.2021 |
|--|-------------------|------------|
| Current interest bearing liabilities | 113 128 | 116 087 |
| Non-current interest bearing liabilities | 1 067 707 | 1 082 398 |
| Interest bearing liabilities | 1 180 835 | 1 198 485 |
| Loan receivables | 559 733 | 559 733 |
| Cash and equivalents and other current financial assets | 35 544 | 38 765 |
| Interest bearing net debt | 585 558 | 599 987 |
| Liquidity, unused committed credit facilities and debt programs | 31.12.2022 | 31.12.2021 |
| Cash and equivalents and other current financial assets | 35 544 | 38 765 |
| Unused committed credit facilities | 350 000 | 329 000 |
| Total | 385 544 | 367 765 |
| In addition: | | |
| Unused commercial paper program | 201 000 | 200 000 |

5 DISCONTINUED OPERATIONS, ASSETS HELD FOR SALE AND DISPOSALS**Discontinued operations**

| 1 000 € | 1.7. - 31.12.2022 | 1.7. - 31.12.2021 | 1.1. - 31.12.2022 | 1.1. - 31.12.2021 |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Income | 438 | 3 540 | 559 | 3 810 |
| Costs | -839 | -3 047 | -1 182 | -4 367 |
| Profit before income tax | -401 | 493 | -623 | -557 |
| Profit from discontinued operations | -401 | 493 | -623 | -557 |

Cash flow from discontinued operations

| 1 000 € | 1.7. - 31.12.2022 | 1.7. - 31.12.2021 | 1.1. - 31.12.2022 | 1.1. - 31.12.2021 |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Cash flows from operating activities | -343 | -670 | 1 885 | -1 773 |
| Cash flows from investing activities | 48 | 768 | 136 | 907 |
| Cash flows total | -295 | 98 | 2 021 | -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 € | 31.12.2022 | 31.12.2021 |
|-----------------------------|------------|------------|
| Intangible assets | - | 1 315 |
| Tangible assets | 152 | 29 877 |
| Trade and other receivables | - | 283 |
| Total | 152 | 31 475 |

Liabilities related to assets held for sale

| 1 000 € | 31.12.2022 | 31.12.2021 |
|--------------------------|------------|------------|
| Provisions | - | 291 |
| Borrowings | - | 18 216 |
| Trade and other payables | - | 2 596 |
| Total | - | 21 103 |

The financial statements release is unaudited

Disposals

| Assets and liabilities | 2022 |
|---------------------------------------|---------------|
| Intangible assets | 1 314 |
| Property, plant and equipment | 29 698 |
| Trade and other receivables | 3 222 |
| Cash and cash equivalents | 892 |
| Total assets | 35 126 |
| Non-controlling interests | 2 245 |
| Provisions | 291 |
| Borrowings | 18 215 |
| Trade and other payables | 2 596 |
| Total liabilities | 23 347 |
| Sold net assets | 11 779 |
| Gain/loss on sale | 183 |
| Total consideration | 11 962 |
| Cash consideration received | 11 962 |
| Cash and cash equivalents disposed of | -892 |
| Net cash flow | 11 070 |

There were no disposals in 2021.

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.

| | 31.12.2022 | | 31.12.2021 | |
|---|----------------|---------------|----------------|---------------|
| | Net fair value | Nominal value | Net fair value | Nominal value |
| 1 000 € | | | | |
| Interest rate swaps, non-hedge accounting | 14 629 | 235 000 | -4 927 | 263 000 |

Financial assets and liabilities by measurement categories and fair value hierarchy as of 31 December 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 | 14 015 | | 14 015 | | | 14 015 | |
| Other receivables | | 36 883 | 36 883 | | | | |
| | 14 486 | 596 616 | 611 102 | | | 14 015 | 471 |
| Current financial assets | | | | | | | |
| Cash and cash equivalents | | 35 511 | 35 511 | | | | |
| Loan receivables | | 33 | 33 | | | | |
| Derivative financial instruments | 614 | | 614 | | | 614 | |
| Trade and other receivables | | 83 201 | 83 201 | | | | |
| Prepayments and accrued income | | 26 395 | 26 395 | | | | |
| | 614 | 145 141 | 145 755 | | | 614 | |
| Total | 15 100 | 741 757 | 756 857 | | | 14 629 | 471 |
| Non-current financial liabilities | | | | | | | |
| Borrowings from associates and joint ventures | | 350 000 | 350 000 | | | | |
| Borrowings | | 330 650 | 330 650 | | | | |
| Bonds | | 274 701 | 274 701 | 263 140 | 263 140 | | |
| Lease liabilities | | 112 356 | 112 356 | | | | |
| | | 1 067 707 | 1 067 707 | 263 140 | 263 140 | | |
| Current financial liabilities | | | | | | | |
| Loans and commercial papers | | 102 853 | 102 853 | | | | |
| Trade payables and other current liabilities | | 61 910 | 61 910 | | | | |
| Lease liabilities | | 10 275 | 10 275 | | | | |
| | | 175 038 | 175 038 | | | | |
| Total | | 1 242 745 | 1 242 745 | 263 140 | 263 140 | | |

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.

| | 31.12.2022 | | | |
|-------------------------------|------------|-----------|-------------|-------------|
| | Sales | Purchases | Receivables | Liabilities |
| Associates and joint ventures | 25 413 | 274 712 | 623 808 | 359 750 |
| UPM-Kymmene Group | 258 748 | 104 518 | 27 297 | 14 966 |
| | | | | |
| | 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 |

The financial statements release is unaudited

8 CONTINGENT LIABILITIES AND ASSETS AND PURCHASE COMMITMENTS

| 1 000 € | 31.12.2022 | 31.12.2021 |
|---|----------------|----------------|
| On behalf of own loans | | |
| Pledged deposits | 33 | 34 |
| Other contingent liabilities | 141 012 | 18 792 |
| On behalf of associated companies and joint ventures | | |
| Guarantees | 28 | 30 |
| Guarantee according to Nuclear Energy Act | 317 991 | 286 664 |
| Total | 459 064 | 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 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 31 December 2022 Pohjolan Voima Oy 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

After tests at full reactor capacity, TVO's OL3 plant unit's production was interrupted according to plan in January 2023 in order to replace the impellers of the feedwater pumps. Thereafter, before the start of regular electricity production, an approximately month-long production phase will follow in the test production. Regular electricity production starts in March 2023.