



Pohjolan Voima

January-June

Half-year financial report

2023



POHJOLAN VOIMA OYJ HALF-YEAR REPORT 1 JANUARY TO 30 JUNE 2023

Commercial operation of Teollisuuden Voima's Olkiluoto 3 EPR nuclear power plant unit started

An investment decision was made on Porin Prosessivoima's flue gas condenser plant

Operating environment

The energy crisis triggered by Russia's war of aggression in Ukraine kept electricity prices high over the winter, but prices have fallen significantly since then. The significant growth of wind power production continues. Concerns about security of supply are a key energy policy issue.

The EU revenue cap, introduced in response to the energy crisis, was implemented in Finland with a temporary surtax. Electricity companies must pay a surtax of 30% on the profit from their electricity business in excess of a return of 10% calculated from the amount of equity committed to the electricity business. The tax is to be paid based on the result for 2023.

The new Government Programme after the parliamentary elections in the spring of 2023 contains several positive policies on nuclear and hydropower, among other things. The importance of combustion-based energy production in the current challenging situation is also understood. The government is concerned about the adequacy of electricity and the security of electricity supply. The government remains committed to the climate policy, and its attitude towards all forms of production relevant to climate change is positive. The Government Programme also includes an entry on the exemption of large-scale energy projects such as nuclear power from interest expense deduction restrictions.

The work on the EU's Fit for 55 package is in its final stages. The measures are part of the EU's CO₂ emission target, according to which emissions will be reduced by 55% from the 1990 level by 2030. Discussion on the 2040 target has been started, and the Commission is expected to publish its related proposal by the end of this year. Work on the nature restoration law to promote biodiversity continues. As the EU prepares for the 2024 spring parliamentary elections, the preparation of the Commission's post-election work programme has started.

Finland's electricity consumption between January and June 2023 was 39.9 TWh (40.9 TWh between 1 January and 30 June 2022), which represents a year-on-year decrease of 6.3%. Finnish electricity production totalled 39.1 (33.7) TWh, while net imports into Finland amounted to 0.8 (6.9) TWh.

The average system price from January to June 2023 was €70.5 (115.2) per MWh, while the average Finnish area price was €60.9 (103.8) per MWh. Both the area and system prices have fallen sharply from last year's high levels due to the improved natural gas situation in Europe. Prices in Finland have decreased due to increased production of nuclear and wind power.

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 €86 per metric ton at the end of the second quarter.

The emission allowance price remained at around the same level as during the same period last year (€83).

Pohjolan Voima's power and heat production

Pohjolan Voima's total electricity supply from January to June 2023 totalled 8.0 (6.3) TWh. Of this, the Group's own electricity production accounted for 7.8 (6.0) TWh, purchases from the Nordic electricity market for 0.3 (0.4) TWh and sales for 0.1 (0.3) TWh. The parent company's deliveries to its shareholders totalled 7.5 (5.7) TWh, and the subsidiaries' deliveries to their other shareholders 0.6 (0.2) TWh. The increase in the group's electricity production and the parent company's deliveries was influenced by the test production of Teollisuuden Voima Oyj's (TVO) Olkiluoto 3 (OL3) EPR plant unit in early 2023 and the start of the unit's regular electricity production in April 2023. Pohjolan Voima Group's heat deliveries totalled 1.7 (2.0) TWh.

Pohjolan Voima's electricity supply by form of production:

	1 January to 30 June 2023	1 January to 30 June 2022	1 January to 31 December 2022
Nuclear power.....	6.4	4.2	9.3
Hydropower.....	0.9	0.9	1.7
Combined heat and power.....	0.6	0.8	1.2
Purchases.....	0.3	0.4	0.7
Total.....	8.0	6.3	12.9
Heat deliveries.....	1.7	2.0	3.1

Key events during the reporting period

The test production of TVO's OL3 plant unit continued in early January and again in mid-March after an outage. The test production programme was completed in April, and regular electricity production started on 16 April 2023. TVO confirmed the provisional takeover of the plant unit for the warranty period, which started on 18 April 2023. The commercial operation of OL3 started on 1 May 2023. The shareholders' right to the electricity produced by OL3 and their liability for the annual costs arising from the electricity production are determined in compliance with TVO's articles of association. The start of OL3's regular electricity production and commercial operation will have a positive impact on the volume of electricity supplied by Pohjolan Voima, the Group's turnover, material and service costs, as well as current receivables and current liabilities.

On 30 June 2023, Pohjolan Voima's extraordinary general meeting decided to approve the flue gas condenser plant investment of the subsidiary Porin Prosessivoima Oy and the related share issue. The investment amounts to €16.5 million, and the project will start in the autumn of 2023. The investment will improve energy efficiency and reduce fuel demand and the emissions of Porin Prosessivoima's power plant.

Result from operations and financing

Pohjolan Voima Oyj 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 Group's equity ratio at the end of the reporting period was 43.9% (42.4%). The consolidated result from continuing operations during the reporting period was €376 (282) million. The turnover increased as a result of the start of OL3's regular electricity production. The consolidated result was €30.0 (-21.9) million. The result of the period was affected by the positive results of both the parent company and the associated companies and joint ventures. The parent company continued the invoicing of the costs incurred during the construction period of the OL3 project for the B2 share series from the owners of the share series, which started in 2022, in accordance with the cost price principle. The positive result of the associated companies and joint ventures is mainly due to the invoiced charges being higher than the incurred costs during the reporting period, which will balance out by the end of the financial period.

At the end of June 2023, the Group's interest-bearing debts totalled €1,181 (1,179) million, and cash and cash equivalents totalled €26 (43) million. The parent company's bond of €125 million matured on 8 June 2023 and was repaid with bilateral bank loans drawn for the purpose of bond repayment. The Group also had €350 (350) 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 €3.9 (4.0) million during the period under review. The most major investments involved PVO-Vesivoima Oy, which completed repairs of the Melo earth dam and continued a renovation of a switchyard at Isohaara.

Between 2004 and 2023, Pohjolan Voima Oyj invested a total of €991.6 (991.6) million in the OL3 nuclear power plant unit, which started commercial operation during the reporting period.

Personnel

At the end of the period under review, Pohjolan Voima Group employed 39 (41) people.

Corporate responsibility

Responsible operations are part of Pohjolan Voima's strategy. The strategy statement "We create decisive power to strengthen competitiveness and contribute to a better tomorrow" includes all the elements of corporate responsibility: financial, social and environmental. 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 to promote through its operations: affordable and clean energy, decent work and economic

growth, life on land, and partnership for the goals. An annually updated sustainability programme to ensure compliance with the UN Sustainable Development Goals has been prepared. A major update of the sustainability programme, which started in early 2023, includes a materiality assessment that takes stakeholders' expectations into account. The new sustainability programme will be completed by the end of 2023.

In addition to the comprehensive update of the sustainability programme, the main development areas in 2023 include the implementation of the biodiversity programme measures, the development of sustainability reporting, preparation for the commitment to the Science Based Targets initiative, sustainability as a strategic capability, and taking sustainability into account in practical decision-making. Pohjolan Voima aims to increase the share of carbon-neutral electricity production to 99% and heat production to 85% by 2025. In 2022, 97% of the electricity and 80% of the heat production was carbon neutral. Measures to achieve this target have continued according to plan in 2023.

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

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 EES+ energy efficiency system or an ISO 50001 energy management system. Some of these systems are certified. Nearly all the 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.

PVO-Vesivoima Oy is participating in the Lohi lijokeen (Salmon to lijoki) project in 2022–2024. Project measures include smolt monitoring in the Haapakoski and Pahkakoski rapids, testing and development of a downstream migration route, the transfer of smolt and anadromous fish, a fry transplanting programme, and the production of a video about the lijoki river.

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. At Raasakka, PVO-Vesivoima Oy has introduced a hydraulic Fishheart fishway for the 2023–2025 period, whose viability for supporting future fishway solutions is being investigated. Measures to return migratory fish to the old natural riverbed of the lijoki river at Raasakka continue.

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 lijoki 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 comments 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. In June 2023, PVO-Vesivoima Oy submitted its rejoinder to supplements of the petitions. The Regional State Administrative Agency for Northern Finland did not issue a decision on either matter during the first half of 2023.

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 had four years to adjust their operations to the conclusions. The first power plants prepared their applications for the review of their environmental permits in 2018, and the licensing work has been continued. 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 2022 report of the Board of Directors. The most significant risks mentioned concerned those associated with TVO's OL3 EPR project. Regular electricity production and commercial operation of the OL3 plant unit started during the period under review. This means responsibility for the plant unit was transferred to TVO. The plant supplier retains its responsibilities under the plant supply contract for warranty periods. There are uncertainties regarding the availability of OL3 during the first operating cycle as the result of any possible unforeseen events. TVO manages these uncertainties by means of systematic maintenance and monitoring of the plant unit.

Pohjolan Voima has reviewed and is monitoring the impact of the situation in Ukraine on its business, but there has been no direct impact. As 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. In addition, the higher inflation and interest rate may increase Pohjolan Voima's production costs.

Shares and shareholding

Shareholder	Shareholding (%) 30 June 2023
EPV Energy Ltd	5.525
Helen Ltd	0.623
Ilmarinen Mutual Pension Insurance Company	1.843
Kemira Oyj (incl. Neliapila pension fund)	5.093
Kokkolan Voima Oy	1.815
Kymppivoima Oy	5.946
Metsä Group (Metsäliitto Cooperative, Metsä Fibre, Metsä Board Oyj)	3.020
Myllykoski Oyj*)	0.635
Oulun Energia Ltd	0.912
Outokumpu Oyj	0.097
Perhonjoki Ltd	2.222
City of Pori	1.376
Rautaruukki Corporation	0.091
Stora Enso Oyj	15.711
Finnish Power Ltd	1.486
UPM Energy Ltd*)	48.043
UPM Communication Papers Ltd*)	3.480
Vantaa Energy Ltd	0.230
Yara Suomi Oy (incl. pension fund)	1.852

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

Annual and extraordinary general meeting

On 23 March 2023, the annual general meeting adopted the 2022 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 persons were elected as ordinary members of 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); Antti Vilkuna, CEO (Finnish Power Ltd and SV Hydro Power Ltd); and Roger Holm, CEO (Katternö Group). 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.

On 30 June 2023, Pohjolan Voima's extraordinary general meeting approved the flue gas condenser plant investment of the subsidiary Porin Prosessivoima Oy and the related share issue. The estimated cost of the investment is €16.5 million, and two series of shares in Porin Prosessivoima Oy will be established to realise it. Porin Prosessivoima's existing shares, of which Pohjolan Voima Oyj owns 100%, will be converted into series V shares that entitle the holder to heat and electricity produced

by Porin Prosessivoima's power plant. Porin Prosessivoima's share capital will be raised by a directed share issue of €4.5 million by offering all series L shares to Pori Energia Oy for subscription. Series L shareholders will be entitled to receive heat from the flue gas condenser plant. After the completion of the directed share issue, Pohjolan Voima Oyj will own some 89% and Pori Energia Oy some 11% of Porin Prosessivoima. The final decision on the arrangement was made by the extraordinary general meeting of Porin Prosessivoima on 3 July 2023.

Major legal actions pending

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

Events after the reporting period

There have been no events after the reporting period.

Outlook

In the current financial period, electricity production will increase compared to previous years as a result of the start of OL3's regular electricity production. Heat production is expected to continue as normal.

Helsinki, 25 August 2023

Pohjolan Voima Oyj
Board of Directors

The half-year financial report is unaudited

KEY FIGURES INCLUDING CALCULATION

M€	1.1. - 30.6.2023	1.1. - 30.6.2022	1.1. - 31.12.2022
Sales	376	282	610
Operating profit or loss	39	-29	-16
Balance sheet total	2 295	2 174	2 242
Investments	4	4	7
Equity on assets ratio	44%	42%	44%
Average number of personnel	40	44	42
Equity on assets ratio	30.6.2023	30.6.2022	31.12.2022
Equity, 1000 €	1 008 191	922 458	994 133
Total assets, 1000 €	2 294 610	2 174 133	2 242 440
EQUITY ON ASSETS RATIO (%)	44%	42%	44%

FINANCIAL STATEMENT SUMMARY AND NOTES TO THE FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1 000 €	Note	1.1. - 30.6.2023	1.1. - 30.6.2022	1.1. - 31.12.2022
Continuing operations				
Sales	2	375 717	281 508	610 193
Other operating income		481	872	1 436
Materials and services		-305 322	-235 663	-507 350
Personnel expenses		-2 921	-2 925	-5 458
Depreciation, amortisation and impairment	3	-15 536	-15 648	-31 204
Other operating expenses		-21 675	-19 567	-46 801
Share of (loss)/profit of associates and joint ventures		8 304	-37 877	-36 786
Operating profit or loss		39 048	-29 300	-15 970
Finance income		13 051	14 479	27 114
Finance costs		-17 699	-6 845	-15 637
Finance costs - net		-4 648	7 634	11 477
Profit/loss before income tax		34 400	-21 666	-4 493
Income tax expense		-4 194	-	8 226
Profit/loss for the period from continuing operations		30 206	-21 666	3 733
Discontinued operations				
Profit/loss from discontinued operations		-230	-222	-623
Profit/loss for the period		29 976	-21 888	3 110
Other comprehensive income:				
Items, that may be reclassified later to profit or loss				
Share of other comprehensive income of associates				
Cash flow hedging		-13 997	76 548	123 865
Other comprehensive income for the period		-13 997	76 548	123 865
Total comprehensive income for the period		15 979	54 660	126 975
Profit attributable to:				
Owners of the parent		29 043	-22 437	3 248
Non-controlling interest		933	549	-138
		29 976	-21 888	3 110
Total comprehensive income attributable to:				
Owners of the parent		15 046	54 111	127 113
Non-controlling interest		933	549	-138
		15 979	54 660	126 975

CONSOLIDATED BALANCE SHEET

1 000 €	Note	30.6.2023	30.6.2022	31.12.2022
ASSETS				
Non-current assets				
Intangible assets	3	281 837	284 170	285 942
Property, plant and equipment	3	334 222	356 883	345 568
Deferred tax assets		4 037	-	8 231
Investments in associated companies and joint ventures		826 367	783 653	832 060
Other financial assets		691	471	471
Loans and other receivables		609 415	604 443	610 631
Non-current assets total		2 056 569	2 029 620	2 082 903
Current assets				
Inventories		11 397	4 064	13 630
Trade and other receivables		200 782	97 884	110 244
Cash and cash equivalents	4	25 710	42 390	35 511
Current assets total		237 889	144 338	159 385
Assets held for sale		152	175	152
Total assets		2 294 610	2 174 133	2 242 440
EQUITY				
Equity attributable to owners of the parent				
Share capital		54 962	54 962	54 962
Share premium		203 865	203 865	203 865
Reserve for invested non-restricted equity		311 176	311 176	311 176
Revaluation reserve		120 073	86 753	134 070
Subordinated shareholders loans (hybrid equity)		90 347	90 347	90 347
Retained earnings		188 364	136 197	161 243
Total		968 787	883 300	955 663
Non-controlling interests		39 404	39 158	38 470
Total equity		1 008 191	922 458	994 133
LIABILITIES				
Non-current liabilities				
Provisions		4 601	5 770	5 562
Borrowings	4	1 051 045	1 074 235	1 067 707
Non-current liabilities total		1 055 646	1 080 005	1 073 269
Current liabilities				
Borrowings	4	130 238	104 661	113 128
Trade and other payables		100 535	67 009	61 910
Current liabilities total		230 773	171 670	175 038
Total liabilities		1 286 419	1 251 675	1 248 307
Total equity and liabilities		2 294 610	2 174 133	2 242 440

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

1 000 €	1.1. - 30.6.2023	1.1. - 30.6.2022	1.1. - 31.12.2022
Cash flow from operating activities			
Profit/loss for the period	29 976	-21 888	3 110
Adjustments, total	15 930	45 363	47 761
Change in working capital	-46 106	18 729	-13 729
Cash generated from operations	-200	42 204	37 142
Finance cost, net	-4 530	-9 722	-10 112
Income taxes paid	-	-	-5
Net cash generated from operating activities	-4 730	32 482	27 025
Cash flow from investing activities			
Capital expenditure	-3 947	-3 999	-6 737
Proceeds from sales of fixed assets	92	345	357
Proceeds from sale of subsidiaries	-	11 962	11 962
Net cash used in investing activities	-3 855	8 308	5 582
Cash flow before financing activities	-8 585	40 790	32 607
Cash flow from financing activities			
Acquisition and annulment of own shares	-	-359	-359
Equity refunds paid	-	-11 602	-11 602
Interest paid of subordinated shareholders loans (hybrid equity)	-1 538	-276	-636
Net charge in loans and other financing activities	322	-23 701	-22 037
Net cash used in financing activities	-1 216	-35 938	-34 634
Net increase (+)/decrease (-) in cash and cash equivalents	-9 801	4 852	-2 027
Cash and cash equivalents at beginning of year	35 511	38 430	38 430
Cash and cash equivalents of subsidiaries sold	-	-892	-892
Cash and cash equivalents at end of the period	25 710	42 390	35 511

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

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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 1.1.2022	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
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
Balance at 1.1.2023	54 962	203 865	134 070	311 176	90 347	161 243	955 663	38 470	994 133
Comprehensive income									
Profit or loss for the period						29 043	29 043	933	29 976
Other comprehensive income:									
Cash flow hedges			-13 997				-13 997		-13 997
Total comprehensive income for the period	0	0	-13 997	0	0	29 043	15 046	933	15 979
Transactions with owners									
Interest paid of subordinated shareholders loans (hybrid equity)						-1 921	-1 921		-1 921
Transactions with owners total	0	0	0	0	0	-1 921	-1 921	0	-1 921
Balance at 30.6.2023	54 962	203 865	120 073	311 176	90 347	188 364	968 787	39 404	1 008 191

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 2022. The accounting policies adopted are consistent with those of the Group's annual financial statements for the year ended 31 December 2022.

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 test production of Teollisuuden Voima Oyj's Olkiluoto 3 plant unit continued in early 2023 and the regular electricity production started on 16 April 2023. Further, the commercial operation started on 1 May 2023. The start of the regular and commercial electricity production affect the comparability of Group's consolidated income statement and balance sheet and increase the volume of electricity supplied by Pohjolan Voima, turnover, material and service costs as well as current receivables and current liabilities.

1 SEMIANNUAL SEGMENT INFORMATION

TURNOVER BY SEGMENTS

1 000 €	1.1. - 30.6.2023	1.1. - 30.6.2022	1.1. - 31.12.2022
Hydropower	17 599	18 905	45 661
Thermal power	158 576	182 998	337 401
Nuclear power	208 719	98 159	229 216
Other	73 986	63 292	184 984
Internal sales	-83 163	-81 846	-187 069
Total	375 717	281 508	610 193
Discontinued operations	-56	23	65

PROFIT/LOSS FOR THE PERIOD BY SEGMENTS

1 000 €	1.1. - 30.6.2023	1.1. - 30.6.2022	1.1. - 31.12.2022
Hydropower	438	89	2 405
Thermal power	6 330	-434	-5 332
Nuclear power	2 952	-38 907	-38 884
Other	20 486	17 586	45 544
Total	30 206	-21 666	3 733
Discontinued operations	-230	-222	-623

ASSETS BY SEGMENTS

1 000 €	30.6.2023	30.6.2022	31.12.2022
Hydropower	442 197	448 280	454 592
Thermal power	311 060	326 020	329 596
Nuclear power	1 327 489	1 286 832	1 336 112
Other	212 282	116 993	128 985
Other non-current receivables	12 797	7 827	14 015
Elimination	-11 215	-11 819	-20 860
Total	2 294 610	2 174 133	2 242 440

LIABILITIES BY SEGMENTS

1 000 €	30.6.2023	30.6.2022	31.12.2022
Hydropower	150 862	159 699	163 696
Thermal power	155 597	171 353	180 232
Nuclear power	782 581	782 581	782 581
Other	208 594	149 861	142 658
Elimination	-11 215	-11 819	-20 860
Total	1 286 419	1 251 675	1 248 307

2 REVENUE

1 000 €	1.1. - 30.6.2023	1.1. - 30.6.2022	1.1. - 31.12.2022
Sales of electricity produced	254 064	165 520	339 088
Sales of heat produced	75 118	71 507	128 671
Sales of purchased electricity	16 175	32 721	97 269
Other sales	30 360	11 760	45 165
Total	375 717	281 508	610 193

Electricity delivered to shareholders (GWh)

Electricity produced	7 780	5 959	12 234
Heat produced	1 686	1 970	3 128
Purchased electricity	260	354	671

3 CHANGES IN INTANGIBLES ASSETS AND PROPERTY, PLANT AND EQUIPMENT

1 000 €	30.6.2023	30.6.2022	31.12.2022
Opening balance	631 510	652 702	652 702
Depreciation, amortization and impairment	-15 536	-15 648	-31 204
Additions	3 947	7 622	13 650
Disposals	-3 862	-3 623	-3 638
Closing balance	616 059	641 053	631 510

4 INTEREST-BEARING NET DEBT AND LIQUIDITY

1 000 €	30.6.2023	30.6.2022	31.12.2022
Current interest bearing liabilities	130 238	104 661	113 128
Non-current interest bearing liabilities	1 051 045	1 074 235	1 067 707
Interest bearing liabilities	1 181 283	1 178 896	1 180 835
Loan receivables	559 733	559 733	559 733
Cash and equivalents and other current financial assets	25 744	43 161	35 544
Interest bearing net debt	595 805	576 002	585 558
Liquidity, unused committed credit facilities and debt programs	30.6.2023	30.6.2022	31.12.2022
Cash and equivalents and other current financial assets	25 744	43 161	35 544
Unused committed credit facilities	350 000	350 000	350 000
Total	375 744	393 161	385 544
In addition:			
Unused commercial paper program	185 000	210 000	201 000

5 DISCONTINUED OPERATIONS, ASSETS HELD FOR SALE AND DISPOSALS

Discontinued operations

1 000 €	1.1. - 30.6.2023	1.1. - 30.6.2022	1.1. - 31.12.2022
Income	284	121	559
Costs	-514	-343	-1 182
Profit before income tax	-230	-222	-623
Profit from discontinued operations	-230	-222	-623

Cash flow from discontinued operations

1 000 €	1.1. - 30.6.2023	1.1. - 30.6.2022	1.1. - 31.12.2022
Cash flows from operating activities	-691	2 228	1 885
Cash flows from investing activities	85	88	136
Cash flows total	-606	2 316	2 021

Board of Directors of PVO-Lämpövoima Oy decided 27 October 2015 to propose, that the electricity production of condensing power plants in Kristinankaupunki 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 2015-2022 as discontinued operations. PVO-Lämpövoima's tangible assets and inventory are presented as assets held for sale in 2023 and 2022.

Assets held for sale

1 000 €	30.6.2023	30.6.2022	31.12.2022
Intangible assets	-	-	-
Tangible assets	152	175	152
Trade and other receivables	-	-	-
Total	152	175	152

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 2023.

POHJOLAN VOIMA GROUP
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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 2022.

1 000 €	30.6.2023		30.6.2022		31.12.2022	
	Net fair value	Nominal value	Net fair value	Nominal value	Net fair value	Nominal value
Interest rate swaps, non-hedge accounting	13 890	260 000	7 785	250 000	14 629	235 000

Financial assets and liabilities by measurement categories and fair value hierarchy as of 30 June 2023

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	691		691				691
Loan receivables		559 733	559 733				
Derivative financial instruments	12 797		12 797			12 797	
Other receivables		36 885	36 885				
	13 488	596 618	610 106			12 797	691
Current financial assets							
Cash and cash equivalents		25 710	25 710				
Loan receivables		34	34				
Derivative financial instruments	1 093		1 093			1 093	
Trade and other receivables		89 102	89 102				
Prepayments and accrued income		110 553	110 553				
	1 093	225 399	226 492			1 093	
Total	14 581	822 017	836 598			13 890	691
Non-current financial liabilities							
Borrowings from associates and joint ventures		350 000	350 000				
Borrowings		444 000	444 000				
Bonds		149 826	149 826	141 130	141 130		
Lease liabilities		107 219	107 219				
		1 051 045	1 051 045	141 130	141 130		
Current financial liabilities							
Loans and commercial papers		119 962	119 962				
Trade payables and other current liabilities		100 535	100 535				
Lease liabilities		10 276	10 276				
		230 773	230 773				
Total		1 281 818	1 281 818	141 130	141 130		

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.

	30.6.2023			
	Sales	Purchases	Receivables	Liabilities
Associates and joint ventures	-165	218 954	679 465	414 654
UPM-Kymmene Group	177 722	45 395	39 493	5 854
	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
	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

The end of the test production and the start of the commercial operation of Teollisuuden Voima Oyj's OL3 plant unit decrease the sales to joint ventures and increase the energy purchases as well as receivables and liabilities.

8 CONTINGENT LIABILITIES AND ASSETS AND PURCHASE COMMITMENTS

1 000 €	30.6.2023	30.6.2022	31.12.2022
On behalf of own loans			
Pledged deposits	34	33	33
Other contingent liabilities	140 929	116 750	141 012
On behalf of associated companies and joint ventures			
Guarantees	27	30	28
Guarantee according to Nuclear Energy Act	331 436	317 991	317 991
Total	472 426	434 804	459 064

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 331 (318) million Euros.

Investment commitments

Joint ventures

Pohjolan Voima Oyj has committed during 2004 to 2023 to an investment into the Teollisuuden Voima Oyj's nuclear power plant OL3 that started the commercial operation during the reporting period. 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 2023 Pohjolan Voima Oy has fulfilled 992 (992) million Euros of its commitments.

9 EVENTS AFTER THE REPORTING PERIOD

There have been no events after the reporting period.