



Pohjolan Voima

January-June

Half-year financial report

2024



POHJOLAN VOIMA OYJ HALF-YEAR REPORT 1 JANUARY TO 30 JUNE 2024

Possibility of building a pumped-storage power station is being investigated Pohjolan Voima issued a bond of €150 million

Operating environment

The cold weather early in the winter increased the price of electricity in January, after which prices fell due to the mild weather later in the winter and lower fuel prices. The significant growth of wind and solar power production continues.

The Finnish Government is implementing its programme, which contains several important items for Pohjolan Voima's business operations. The Government is promoting the green transition, and the security of supply for electricity is considered more important than before. The Government is calling for more weather-independent base load power and balancing power needed to balance the electrical power system.

The Government is preparing a national energy and climate strategy, a reform of the Nuclear Energy Act, capacity mechanisms, and the promotion of carbon capture, storage and use, for example. The Government further has the aim of excluding large-scale energy projects such as nuclear power from interest expense deduction restrictions. Pumped-storage power stations have been included in a priority procedure in the permit process. The Government is finalising a reform of regional state administration, with the acceleration of the permit process one of its key objectives. Preparations for the adoption of flexibilities under the EU Water Framework Directive are also well advanced.

The year 2024 is an election year in the EU, during which there are hardly any new legislative initiatives. The Parliament has organised itself following the elections in the spring, and the next step is to decide on the composition and work programme of the Commission. The debate on the climate targets for 2040 continues.

Finland's power consumption in January–June 2024 was 42.5 TWh (39.9 TWh between 1 January and 30 June 2023), an increase of 6.5 per cent year-on-year. Finnish electricity production totalled 39.2 (39.1) TWh, while net imports into Finland amounted to 3.3 (0.8) TWh.

The average system price from January to June 2024 was €46.8 (70.5) per MWh, while the average Finnish area price was €56.4 (60.9) per MWh. Both the area and system prices have fallen from last year's levels due to the improved natural gas situation in Europe. Prices in Finland have decreased due to the increased production of nuclear and wind power.

The price of EU emission allowance has decreased since the beginning of the year. The market price was approximately €76 per metric ton of carbon dioxide at the beginning of the year, compared to approximately €67 per metric ton at the end of the second quarter. The emissions allowance price has decreased from the same period last year (€86).

Pohjolan Voima's power and heat production

Pohjolan Voima's total electricity supply from January to June 2024 totalled 7.7 (8.0) TWh. Of this, the Group's own electricity production accounted for 7.4 (7.8) TWh, purchases from the Nordic electricity market for 0.2 (0.3) TWh, and sales for 0.2 (0.1) TWh. The parent company's deliveries to its shareholders totalled 7.2 (7.5) TWh, and the subsidiaries' deliveries to their other owners 0.2 (0.6) TWh. The prolonged annual outages of Teollisuuden Voima Oyj's (TVO) Olkiluoto nuclear power plant units contributed to the decrease in the Group's electricity production and the parent company's deliveries. Pohjolan Voima Group's heat deliveries totalled 1.5 (1.7) TWh.

Pohjolan Voima's electricity supply by form of production:

	1 January to 30 June 2024	1 January to 30 June 2023	1 January to 31 December 2023
Nuclear power.....	6.0	6.4	14.3
Hydropower.....	0.9	0.9	1.8
Combined heat and power.....	0.5	0.6	0.9
Purchases.....	0.2	0.3	0.6
Total.....	7.7	8.0	17.6
Heat deliveries.....	1.5	1.7	2.8

Key events during the reporting period

On 29 February 2024, Pohjolan Voima announced that it was investigating the possibility of building a pumped-storage power station in the Kemijärvi area. The purpose of the planned pumped-storage power station would be to balance and ensure the supply and generation of electricity. The PUHTI project is carrying out preliminary waterway modelling and preparing the launch of an environmental impact assessment.

On 21 May 2024, all shareholders of Pohjolan Voima Oyj passed unanimous resolutions in accordance with chapter 5, section 1, paragraph 2 of the Finnish Companies Act on the return of the €4.3 million in the reserve for invested unrestricted equity allocated to the M share series to the shareholders of the series and on the return of the €5.4 million in the reserve for invested unrestricted equity allocated to the G9 share series to the shareholders of the series.

In May 2024, in accordance with the decision of the extraordinary general meeting on 28 November 2023, Pohjolan Voima Oyj acquired all the shares of the C2, M and V share series from the shareholders of the series. The shares were acquired because the share series in question no longer held any energy production. In connection with the acquisitions, the company's share capital decreased by €5.3 million, and the share premium reserve by €12.3 million. The acquired shares were cancelled during the reporting period.

On 5 June 2024, Pohjolan Voima Oyj issued a senior unsecured bond of €150 million. The bond will mature on 5 June 2031, and a fixed annual interest of 4.75% will be paid on it. The bond was listed on the Nasdaq Helsinki Ltd stock exchange list on 11 June 2024.

Result from operations and financing

Pohjolan Voima Oyj operates on an “at-cost” basis. 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 44.5% (43.9%). The consolidated result from continuing operations during the reporting period was €448 (376) million. Turnover was higher than in the comparison period because the Olkiluoto 3 (OL3) plant unit was still mainly in test operation during the comparison period. The consolidated result was €16.2 (30) million. The result for the period was affected by the positive results of both the parent company and the subsidiaries. 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. The positive result of the subsidiaries is mainly due to the recovered charges being higher than the actual costs during the reporting period, which will balance out by the end of the financial period.

At the end of June 2024, the Group’s interest-bearing debts totalled €1,177 (1,181) million, and cash and cash equivalents totalled €37 (26) million. Additionally, the Group had unused binding credit facility agreements amounting to €350 (350) million.

The Group companies’ loan agreements do not include any financing covenants.

Investments

Pohjolan Voima Group’s investments, excluding financial investments and the purchase of emission allowances, amounted to €6.4 (3.9) million during the period under review. The most significant investments were in Porin Prosessivoima Oy, where the investment in a flue gas condenser plant proceeded.

Personnel

At the end of the period under review, Pohjolan Voima Group employed 40 (39) people.

Corporate sustainability

Corporate social responsibility is an intrinsic part of our 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 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. At the beginning of 2024, we started implementing a new sustainability programme prepared for 2024–2027. The programme is based on a double materiality analysis conducted in 2023 and the Pohjolan Voima strategy, which was updated in 2022.

The main development areas in 2024 include the implementation of the biodiversity programme measures, the development of sustainability reporting, preparation for the commitment to the Science Based Targets initiative, ensuring sustainability in the value chain, and developing interaction with stakeholders. Pohjolan Voima aims to increase the share of carbon-neutral electricity production to 99% and heat production to 85% by 2025. In 2023, 99% of the electricity and 90% of the heat production was carbon neutral. Measures to maintain this target have continued according to plan in 2024.

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

Environment

Pohjolan Voima's production companies Kaukaan Voima, Kymin Voima, Porin Prosessivoima, PVO-Vesivoima, Rauman Biovoima, Alholmens Kraft and Teollisuuden Voima are using environmental management systems that follow the ISO 14001 standard, as well as an EES+ energy efficiency system or an ISO 50001 energy management system. The systems ensure that environmental and energy efficiency targets are met and continuous improvement is achieved. Some of the systems are certified. In addition, all production companies are included in energy efficiency agreements for the 2017–2025 period.

PVO-Vesivoima Oy is participating in the Iijoki Agreement implementing the Iijoki waterway vision, which has been renewed for 2024–2028. The company is participating in the Lohi Iijokeen (Salmon to Iijoki) project (2022–2024) and the Lohi Iijokeen 2 (2024–2026) projects. The 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, and a fry transplanting programme.

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 Iijoki river at Raasakka continue. The municipality of Ii, PVO-Vesivoima Oy, and the South and North Ii fishery collectives signed an agreement on the development of the old Iijoki riverbed at Raasakka in 2024 and 2025.

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 regarding the Kemijoki river. In October 2017, the 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 its claims regarding both petitions to the Regional State Administrative Agency, and in 2021 and 2022, its rejoinders to the petitioner's comments and rejoinders, as well as to the statements issued by the Finnish Environment Institute. In 2023, PVO-Vesivoima Oy submitted its rejoinder to the supplements of the petitions. The Regional State Administrative Agency for Northern Finland issued its decision on the matter on 29 July 2024 – see "Events after the reporting period".

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 had four years to adjust their operations to the conclusions. The transition period is longer for some industrial power plants. Some of Pohjolan Voima's power plants have already renewed their environmental permits, while others will renew them in the coming years in accordance with the transition period provisions. However, all power plants are prepared to operate in accordance with the LCP BAT. The emission limits for new environmental permits will be stricter. The revised Industrial Emissions Directive (IED), which will enter into force in August 2024, will affect the next round of permit processes for our thermal power plants. In addition, the directive will introduce needs for changes to the environmental systems of our power plants sooner.

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 about the environmental issues related to nuclear power generation on its website at www.tvo.fi and in a separate corporate sustainability report.

Key risks and uncertainties

The key risks and uncertainty factors involved in Pohjolan Voima's operations are presented in the 2023 report of the Board of Directors. The revenue generation capacity of TVO's OL3 plant unit was mentioned as a more significant risk due to possible unexpected events related to the first operating cycle. TVO will manage these uncertainties through the planned maintenance and monitoring of the plant unit.

Shares and shareholding

Shareholder	Shareholding (%) 30 June 2024
EPV Energy Ltd	5.031
Helen Ltd	0.546
Ilmarinen Mutual Pension Insurance Company	1.312
Kemira Oyj (incl. Neliapila pension fund)	5.343
Kokkolan Voima Oy	1.533
Kymppivoima Oy	5.023
Metsä Group (Metsäliitto Cooperative, Metsä Fibre Oy, Metsä Board Corporation)	3.049
Myllykoski Oyj*)	0.553
Oulun Energia Ltd	0.805
Outokumpu Oyj	0.102
Perhonjoki Ltd	2.089
City of Pori	1.291
Rautaruukki Corporation	0.096
Stora Enso Oyj	16.135
Finnish Power Ltd	1.465
UPM Energy Ltd*)	49.819
UPM Communication Papers Ltd*)	3.675
Vantaa Energy Ltd	0.202
Yara Suomi Oy (incl. pension fund)	1.932

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

Annual general meeting and shareholders' unanimous decisions

On 21 March 2024, the annual general meeting adopted the 2023 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.

Annual general meeting decided that a total dividend of €21,050,000 will be distributed from the distributable funds incurred from the sale of the shares of Fingrid Oyj in 2011. The dividend is to be distributed to the shares of C, C2, M and V series of shares that are entitled to the dividend from the funds incurred from Fingrid Oyj share sale. The following members were elected to the Board of Directors: Tapio Korpeinen, Executive Vice President (UPM-Kymmene Corporation); Seppo Parvi, Chief Financial Officer (Stora Enso Oyj); Jukka Hakkila, Group General Counsel (Kemira Oyj); Anders Renvall, Managing Director (Kymppivoima Oy); Maija Ruska, Director (UPM Energy Oy); Esa Kaikkonen, CEO (Metsä Tissue Oy); Rami Vuola, President & CEO (EPV Energy Ltd); Kirsi Hautala, Managing Director (Kokkolan Energia Oy); and Heikki Liukas, Investment Director (Yara Suomi pension fund). At its inaugural meeting, the Board elected Tapio Korpeinen as the chair and Seppo Parvi as the vice chair. The Board also elected committee members from among its members.

On 21 May 2024, all shareholders of Pohjolan Voima Oyj passed unanimous resolutions in accordance with chapter 5, section 1, paragraph 2 of the Finnish

Companies Act on the return of the €4.3 million in the reserve for invested unrestricted equity allocated to the M share series to the shareholders of the series and on the return of the €5.4 million in the reserve for invested unrestricted equity allocated to the G9 share series to the shareholders of the series.

Major legal actions pending

No major legal actions were pending during the reporting period.

Events after the reporting period

On 29 July 2024, the Regional State Administrative Agency for Northern Finland issued its decision on the petitions concerning the stocking and fish stock management obligations in the Kemijoki and Iijoki rivers. The decision partly accepted and partly rejected the requests included in the petition. The decision is not final and its effects are being analysed.

On 22 July 2024, an oil spill occurred at PVO-Vesivoima's Isohaara power plant in Kemi. Approximately 500 litres of oil from the power plant's third machinery unit was released into the river. The machinery unit is currently not in operation, and maintenance work has been started.

Outlook

During the current financial period, power and heat production are expected to continue as normal.

Helsinki, 19 August 2024

Pohjolan Voima Oyj
Board of Directors

The half-year financial report is unaudited

KEY FIGURES INCLUDING CALCULATION

M€	1.1. - 30.6.2024	1.1. - 30.6.2023	1.1. - 31.12.2023
Sales	448	376	840
Operating profit or loss	23	39	120
Balance sheet total	2 267	2 295	2 317
Investments	6	4	8
Equity on assets ratio	45%	44%	45%
Average number of personnel	39	40	40
Equity on assets ratio	30.6.2024	30.6.2023	31.12.2023
Equity, 1000 €	1 008 634	1 008 191	1 041 414
Total assets, 1000 €	2 266 578	2 294 610	2 316 752
EQUITY ON ASSETS RATIO (%)	45%	44%	45%

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FINANCIAL STATEMENT SUMMARY AND NOTES TO THE FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1 000 €	Note	1.1. - 30.6.2024	1.1. - 30.6.2023	1.1. - 31.12.2023
Continuing operations				
Sales	2	447 763	375 717	839 966
Other operating income		608	481	1 411
Materials and services		-387 359	-305 322	-708 970
Personnel expenses		-2 935	-2 921	-5 530
Depreciation, amortisation and impairment	3	-15 598	-15 536	-31 105
Other operating expenses		-22 685	-21 675	-48 735
Share of (loss)/profit of associates and joint ventures		3 299	8 304	73 425
Operating profit or loss		23 093	39 048	120 462
Finance income		18 616	13 051	30 969
Finance costs		-25 324	-17 699	-49 723
Finance costs - net		-6 708	-4 648	-18 754
Profit/loss before income tax		16 385	34 400	101 708
Income tax expense		-1 077	-4 194	-5 901
Profit/loss for the period from continuing operations		15 308	30 206	95 807
Discontinued operations				
Profit/loss from discontinued operations		855	-230	3 774
Profit/loss for the period		16 163	29 976	99 581
Other comprehensive income:				
Items, that may be reclassified later to profit or loss				
Share of other comprehensive income of associates				
Cash flow hedging		6 642	-13 997	-52 607
Other comprehensive income for the period		6 642	-13 997	-52 607
Total comprehensive income for the period		22 805	15 979	46 974
Profit attributable to:				
Owners of the parent		15 396	29 043	99 965
Non-controlling interest		767	933	-384
		16 163	29 976	99 581
Total comprehensive income attributable to:				
Owners of the parent		22 038	15 046	47 358
Non-controlling interest		767	933	-384
		22 805	15 979	46 974

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CONSOLIDATED BALANCE SHEET

1 000 €	Note	30.6.2024	30.6.2023	31.12.2023
ASSETS				
Non-current assets				
Intangible assets	3	283 476	281 837	283 668
Property, plant and equipment	3	314 598	334 222	323 690
Deferred tax assets		1 253	4 037	2 330
Investments in associated companies and joint ventures		861 959	826 367	852 017
Other financial assets		680	691	695
Loans and other receivables		598 569	609 415	601 918
Non-current assets total		2 060 535	2 056 569	2 064 318
Current assets				
Inventories		13 832	11 397	14 269
Trade and other receivables		155 265	200 782	168 056
Cash and cash equivalents	4	36 946	25 710	70 109
Current assets total		206 043	237 889	252 434
Assets held for sale		-	152	-
Total assets		2 266 578	2 294 610	2 316 752
EQUITY				
Equity attributable to owners of the parent				
Share capital		49 676	54 962	54 962
Share premium		191 592	203 865	203 865
Reserve for invested non-restricted equity		301 520	311 176	311 176
Revaluation reserve		88 105	120 073	81 463
Subordinated shareholders loans (hybrid equity)		90 347	90 347	90 347
Retained earnings		248 686	188 364	257 060
Total		969 926	968 787	998 873
Non-controlling interests		38 708	39 404	42 541
Total equity		1 008 634	1 008 191	1 041 414
LIABILITIES				
Non-current liabilities				
Provisions		3 859	4 601	3 842
Borrowings	4	914 667	1 051 045	1 045 922
Other non-current liabilities		508	-	-
Non-current liabilities total		919 034	1 055 646	1 049 764
Current liabilities				
Borrowings	4	262 318	130 238	144 041
Trade and other payables		76 592	100 535	81 533
Current liabilities total		338 910	230 773	225 574
Total liabilities		1 257 944	1 286 419	1 275 338
Total equity and liabilities		2 266 578	2 294 610	2 316 752

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

1 000 €	1.1. - 30.6.2024	1.1. - 30.6.2023	1.1. - 31.12.2023
Cash flow from operating activities			
Profit/loss for the period	16 163	29 976	99 581
Adjustments, total	19 958	15 930	-18 810
Change in working capital	17 638	-46 106	-44 070
Cash generated from operations	53 759	-200	36 701
Finance cost, net	-12 095	-4 530	-950
Income taxes paid	-325	-	-
Net cash generated from operating activities	41 339	-4 730	35 751
Cash flow from investing activities			
Capital expenditure	-6 373	-3 947	-7 631
Sale of tangible and intangible assets	8	92	-414
Proceeds from the dissolved joint venture	-	-	1 669
Proceeds from disposal of shares in other financial assets	15	-	-
Net cash used in investing activities	-6 350	-3 855	-6 376
Cash flow before financing activities	34 989	-8 585	29 375
Cash flow from financing activities			
Acquisition and annulment of own shares	-17 559	-	-
Equity refunds paid	-14 256	-	-
Interest paid of subordinated shareholders loans (hybrid equity)	-2 312	-1 538	-3 717
Net charge in loans and other financing activities	-12 975	322	8 940
Dividends paid	-21 050	-	-
Net cash used in financing activities	-68 152	-1 216	5 223
Net increase (+)/decrease (-) in cash and cash equivalents	-33 163	-9 801	34 598
Cash and cash equivalents at beginning of year	70 109	35 511	35 511
Cash and cash equivalents at end of the period	36 946	25 710	70 109

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 1.1.2023	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
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						99 965	99 965	-384	99 581
Other comprehensive income:									
Cash flow hedges			-52 607				-52 607		-52 607
Total comprehensive income for the period	0	0	-52 607	0	0	99 965	47 358	-384	46 974
Transactions with owners									
Interest paid of subordinated shareholders loans (hybrid equity)						-4 148	-4 148		-4 148
Increase in non-controlling interest								4 455	4 455
Transactions with owners total	0	0	0	0	0	-4 148	-4 148	4 455	307
Balance at 31.12.2023	54 962	203 865	81 463	311 176	90 347	257 060	998 873	42 541	1 041 414
Balance at 1.1.2024	54 962	203 865	81 463	311 176	90 347	257 060	998 873	42 541	1 041 414
Comprehensive income									
Profit or loss for the period						15 396	15 396	767	16 163
Other comprehensive income:									
Cash flow hedges			6 642				6 642		6 642
Total comprehensive income for the period	0	0	6 642	0	0	15 396	22 038	767	22 805
Transactions with owners									
Interest paid of subordinated shareholders loans (hybrid equity)						-2 720	-2 720		-2 720
Dividend distribution						-21 050	-21 050		-21 050
Refund of equity				-9 656			-9 656	-4 600	-14 256
Acquisition and annulment of own shares	-5 286	-12 273					-17 559		-17 559
Transactions with owners total	-5 286	-12 273	0	-9 656	0	-23 770	-50 985	-4 600	-55 585
Balance at 30.6.2024	49 676	191 592	88 105	301 520	90 347	248 686	969 926	38 708	1 008 634

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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 2023. The accounting policies adopted are consistent with those of the Group's annual financial statements for the year ended 31 December 2023.

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 regular production of Teollisuuden Voima Oyj's Olkiluoto 3 plant unit started on 16 April 2023. During the period the comparability of Group's consolidated income statement is affected OL3 plant unit's regular production excluding the annual outage, that increases turnover and material and service costs compared to the prior year period.

1 SEMIANNUAL SEGMENT INFORMATION

TURNOVER BY SEGMENTS

1 000 €	1.1. - 30.6.2024	1.1. - 30.6.2023	1.1. - 31.12.2023
Hydropower	20 198	17 599	37 092
Thermal power	156 843	158 576	280 602
Nuclear power	292 587	208 719	548 879
Other	66 319	73 986	147 904
Internal sales	-88 184	-83 163	-174 511
Total	447 763	375 717	839 966
Discontinued operations	-	-56	4 027

PROFIT/LOSS FOR THE PERIOD BY SEGMENTS

1 000 €	1.1. - 30.6.2024	1.1. - 30.6.2023	1.1. - 31.12.2023
Hydropower	2 247	438	3 149
Thermal power	2 042	6 330	-821
Nuclear power	-1 999	2 952	63 961
Other	13 018	20 486	29 518
Total	15 308	30 206	95 807
Discontinued operations	855	-230	3 774

ASSETS BY SEGMENTS

1 000 €	30.6.2024	30.6.2023	31.12.2023
Hydropower	447 917	442 197	442 272
Thermal power	294 000	311 060	318 081
Nuclear power	1 366 452	1 327 489	1 356 262
Other	170 239	211 189	213 891
Other non-current receivables	6 953	12 797	5 302
Elimination	-20 297	-11 215	-21 056
Other current receivables	1 314	1 093	2 000
Total	2 266 578	2 294 610	2 316 752

LIABILITIES BY SEGMENTS

1 000 €	30.6.2024	30.6.2023	31.12.2023
Hydropower	151 623	150 862	148 225
Thermal power	145 705	155 597	162 683
Nuclear power	782 581	782 581	782 581
Other	197 824	208 594	202 905
Other non-current liabilities	508	-	-
Elimination	-20 297	-11 215	-21 056
Total	1 257 944	1 286 419	1 275 338

2 REVENUE

1 000 €	1.1. - 30.6.2024	1.1. - 30.6.2023	1.1. - 31.12.2023
Sales of electricity produced	349 260	254 064	624 780
Sales of heat produced	75 389	75 118	132 944
Sales of purchased electricity	13 861	16 175	27 959
Other sales	9 254	30 360	54 282
Total	447 763	375 717	839 966

Electricity delivered to shareholders (GWh)

Electricity produced	7 433	7 780	17 037
Heat produced	1 516	1 686	2 880
Purchased electricity	248	260	580

The half-year financial report is unaudited

3 CHANGES IN INTANGIBLES ASSETS AND PROPERTY, PLANT AND EQUIPMENT

1 000 €	30.6.2024	30.6.2023	31.12.2023
Opening balance	607 358	631 510	631 510
Depreciation, amortization and impairment	-15 598	-15 536	-31 105
Additions	6 373	3 947	9 012
Disposals	-59	-3 862	-2 059
Closing balance	598 074	616 059	607 358

4 INTEREST-BEARING NET DEBT AND LIQUIDITY

1 000 €	30.6.2024	30.6.2023	31.12.2023
Current interest bearing liabilities	262 318	130 238	144 041
Non-current interest bearing liabilities	914 667	1 051 045	1 045 922
Interest bearing liabilities	1 176 985	1 181 283	1 189 963
Loan receivables	559 733	559 733	559 733
Cash and equivalents and other current financial assets	36 946	25 744	70 109
Interest bearing net debt	580 306	595 805	560 121
Liquidity, unused committed credit facilities and debt programs	30.6.2024	30.6.2023	31.12.2023
Cash and equivalents and other current financial assets	36 946	25 744	70 109
Unused committed credit facilities	350 000	350 000	350 000
Total	386 946	375 744	420 109
In addition:			
Unused commercial paper program	198 000	185 000	168 000

5 DISCONTINUED OPERATIONS, ASSETS HELD FOR SALE AND DISPOSALS

Discontinued operations

1 000 €	1.1. - 30.6.2024	1.1. - 30.6.2023	1.1. - 31.12.2023
Income	152	284	5 228
Costs	734	-514	-1 159
Profit before income tax	886	-230	4 069
Income tax expense	-31	-	-295
Profit from discontinued operations	855	-230	3 774

Cash flow from discontinued operations

1 000 €	1.1. - 30.6.2024	1.1. - 30.6.2023	1.1. - 31.12.2023
Cash flows from operating activities	4 671	-691	-2 535
Cash flows from investing activities	-	85	959
Cash flows total	4 671	-606	-1 576

Board of Directors of PVO-Lämpövoima Oy decided on 27 October 2015 to propose that the electricity production of condensing power plants in Kristiinankaupunki and Pori Tahkoluoto will be terminated. Pohjolan Voima Oyj's extraordinary shareholders' meeting approved the decision on 13 November 2015. PVO-Lämpövoima's operations are presented in the financial statement 2015-2023 as discontinued operations.

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 2023.

1 000 €	30.6.2024		30.6.2023		31.12.2023	
	Net fair value	Nominal value	Net fair value	Nominal value	Net fair value	Nominal value
Interest rate swaps, non-hedge accounting	7 758	270 000	13 890	260 000	7 302	250 000

Financial assets and liabilities by measurement categories and fair value hierarchy as of 30 June 2024

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	680		680				680
Loan receivables		559 733	559 733				
Derivative financial instruments	6 953		6 953			6 953	
Other receivables		31 883	31 883				
	7 633	591 616	599 249			6 953	680
Current financial assets							
Cash and cash equivalents		36 946	36 946				
Derivative financial instruments	1 314		1 314			1 314	
Trade and other receivables		95 847	95 847				
Prepayments and accrued income		58 105	58 105				
	1 314	190 898	192 211			1 314	
Total	8 947	782 514	791 460			8 267	680
Non-current financial liabilities							
Borrowings from associates and joint ventures		350 000	350 000				
Borrowings		317 000	317 000				
Bonds		149 905	149 905	151 371	151 371		
Derivative financial instruments		508	508			508	
Lease liabilities		97 762	97 762				
		915 175	915 175	151 371	151 371	508	
Current financial liabilities							
Loans and commercial papers		102 003	102 003				
Bonds		149 945	149 945	147 572	147 572		
Trade payables and other current liabilities		76 592	76 592				
Lease liabilities		10 370	10 370				
		338 910	338 910	147 572	147 572		
Total		1 254 085	1 254 085	298 943	298 943	508	

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.

	30.6.2024			
	Sales	Purchases	Receivables	Liabilities
Associates and joint ventures	-364	296 002	636 703	387 714
UPM-Kymmene Group	223 483	53 905	46 982	8 311
	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
	31.12.2023			
	Sales	Purchases	Receivables	Liabilities
Associates and joint ventures	1 534	582 515	647 671	540 068
UPM-Kymmene Group	403 648	88 425	44 217	11 432

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8 CONTINGENT LIABILITIES AND ASSETS AND PURCHASE COMMITMENTS

1 000 €	30.6.2024	30.6.2023	31.12.2023
On behalf of own loans			
Pledged deposits	-	34	-
Other contingent liabilities	140 829	140 929	140 829
On behalf of associated companies and joint ventures			
Guarantees	26	27	26
Guarantee according to Nuclear Energy Act	354 361	331 436	331 436
Total	495 216	472 426	472 291

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 354 (331) million Euros.

Investment commitments

Pohjolan Voima's subsidiary Porin Prosessivoima Oy has committed to the flue gas condenser plant investment of 12 million Euros out of which 9.6 million Euros were paid as at 30 June 2024.

9 EVENTS AFTER THE REPORTING PERIOD

On 29 July 2024, the Regional State Administrative Agency for Northern Finland issued its decision on the petitions concerning the stocking and fish stock management obligations in the Kemijoki and Iijoki rivers. The decision partly accepted and partly rejected the requests included in the petition. The decision is not final and its effects are being analysed.

On 22 July 2024, an oil spill occurred at PVO-Vesivoima's Isohaara power plant in Kemi. Approximately 500 litres of oil from the power plant's third machinery unit was released into the river. The machinery unit is currently not in operation, and maintenance work has been started.