



2023

FINANCIAL STATEMENTS

Financial statements

Report of the board of directors

Consolidated income statement

Consolidated balance sheet

Consolidated cash flow statement

Parent company's income statement

Parent company's balance sheet

Parent company's cash flow statement

Notes to the Financial Statements

Notes to the income statement

Notes to the balance sheet

Separate financial statements for electricity
business activities

Signatures

Auditors' report



REPORT OF THE BOARD OF DIRECTORS OF EPV ENERGY LTD 2023

EPV Energy Ltd (EPV) is a company specialised in energy procurement and it operates on an absorption costing principle. The aim is to supply the owners with competitive electricity and to ensure inexpensive power procurement in a changing operating environment. The company's strategic objective is that the energy procurement should be both emission-free and competitive. In 2023, EPV acquired a total of 4,764 (4,136) GWh of electricity. This corresponds to 6.0 (5.1) per cent of the overall electricity consumption in Finland.

EVENTS DURING THE FINANCIAL YEAR

Operating environment

The changes in the energy sector continued in 2023. The geopolitical situation and the ensuing energy crisis have affected EPV's operating environment in many respects. As a result of the war of aggression launched by Russia, Europe is trying to rid itself of its dependence on Russian energy as quickly as possible. Concerns about the sufficiency of energy, both fuels and electricity, was highlighted. The situation was particularly challenging for Finland in the winter of 2022-23, as virtually all major energy imports from Russia ceased. This situation has highlighted the importance not only of energy self-sufficiency, but also of emission-free energy solutions.

Finland and Finnish energy producers managed to react quickly. We were not completely out of luck in this rapid shift towards greater self-sufficiency, as Olkiluoto 3 became ready to join the market at just the right time. Significantly more wind power plants have been built in Finland in recent years, which is

now bearing fruit. At the same time, weather-dependent renewable electricity generation is adding its own challenges to the equation. The growth of energy sources with variable output requires a parallel increase in balancing power to address the imbalance between production and consumption. The main challenges for the energy market in the future will be having sufficient flexibility in electric power and the energy system, and longer-term energy storage in a fossil-free world.

According to preliminary statistics, the consumption of electricity in the Nordic countries in 2023 was 0.4 per cent lower than in the previous year, at 380 (381) TWh. In 2023, Finnish electricity consumption was 79.8 (81.6) TWh, which means a decrease of approximately 2.3 per cent compared to 2022. The industrial share of the consumed electricity was 42 per cent and other consumption 58 per cent. Last year, industrial consumption of electricity decreased by 5.9 per cent, while consumption in other sectors increased by 0.5 per cent. The losses stood for approximately 4 per cent of the overall electricity consumption.

In 2023, 2.2 per cent of power procurement was covered by imports and 97.8 per cent by domestic generation. Nuclear power covered approximately 41.0 per cent of the consumed electricity, combined generation of heat and power 16.8, hydropower 18.8 and other separate production 2.2 per cent. Wind power, which continues to grow rapidly, accounted for 18.1 per cent and solar power for 0.8 per cent.

The snow and water reserves, i.e. the hydrological balance, of the Nordic countries remained below the average almost throughout 2023. At the beginning of the year, the reserves were 13 TWh below the average level and at the end of the year 11 TWh below the average level. By the turn of the year, Nordic water reserves were approximately 74 TWh in total.

In 2023, CO₂ emissions from Finnish energy generation constituted 2.5 million tonnes, which is 38 per cent lower than the previous year. The long-term downward trend in carbon dioxide emissions continued after a break of a couple of years. In other ways too, the long-term investments made by the sector's companies are reflected in the evolution of emissions. Up to 94 per cent of the electricity generated in Finland last year was free from CO₂ emissions. The share of renewable energy sources was 52 per cent of the total electricity generated.

As in the previous year, the EU emissions allowance price fluctuated sharply between EUR 67 and EUR 100 per tonne during 2023. The average market price was around EUR 85 per tonne for most of the year and dropped to approximately EUR 80 per tonne by

the end of the year. Emissions trading has proven to be an effective way to reduce emissions and it contributes to limiting the use of fossil fuels in high market price situations.

Europe's future depends on a healthy planet. EU countries are committed to achieving climate neutrality by 2050, delivering on the commitments under the Paris Agreement. The European Green Deal is the EU's strategy for reaching the 2050 goal. As part of the European Green Deal, the Commission has also published a proposal for the European Climate Pact, which is an initiative that invites people, communities and organisations to participate in climate action and build a greener Europe.

As society moves towards zero-emission production, it is evident that it is changing the whole energy system, especially electricity production. New forms of electricity generation will make the whole system more difficult to manage, which is why new technological solutions will be needed. The electricity market is adapting to the new situation, but much work remains to be done. The 2023 market saw unprecedented fluctuations in electricity prices. This is the new normal in the energy market, and we have no choice but to adapt to it and make sure that the systems involved operate accordingly. There is an increasing need for flexibility in the energy system and for risk management in energy markets.

EPV's strategy is shifting focus to solutions for balancing power, flexibility and energy storage within the electricity system

In 2021, EPV Energy launched a new strategy that bears the name New Electricity Revolution®. At the centre of this strategy is zero-emission electricity, whose production, storage and use are controlled with new technologies. The current state of our planet requires great changes and the acceleration of driving down emissions. As a socially responsible company, EPV will continue to speed up these measures. This strategy models the modernisation of the entire society's energy generation system.

The strategy's main guidelines have remained largely unchanged, and our policy is to make EPV's energy production completely emission-free by 2030. In the future, new electricity will be generated using the zero-emission energy sources of solar, wind, hydro and nuclear power, which are key to our strategy. In addition, we will utilise emission-free raw material flows, such as forest energy, circular economy products and industrial producer gases. With new electricity, we are also helping other operators to become emission-free. As more and more electricity is produced from renewable sources, there is an increasing need for different types of energy storage. Such storage solutions will bring new flexibility to the electricity system, while increasing the ability of the whole energy system to cope with different types of disturbances. The strategy will therefore increasingly focus on balancing power, flexibility and energy storage solutions to harmonise the energy system.

Production

In 2023, 46.1 per cent of EPV's electricity supply came from nuclear power, 23.0 per cent from wind power, 13.5 per cent from combined heat and power (CHP) and 7.4 per cent from hydropower. The share of market price electricity was 9.9 per cent. The share of pure condensing power in EPV's electricity supply has become zero.

In 2023, CO₂ emissions from EPV's electricity supply were 0.33 million tonnes, which is 38 per cent less than the previous year. Up to 94 per cent of the electricity generated by EPV and under EPV's generation shares last year was free from CO₂ emissions. The share of renewable energy sources was 39 per cent of the total electricity generated, and domestic energy sources covered 92 per cent.

The total production volume of the Olkiluoto 1 and 2 nuclear power plants of the associated company **Teollisuuden Voima Oyj** in 2023 was 14.3 GWh. OL1 achieved the third highest annual production volume in the company's history. OL2's generation output was reduced in August 2023 by a leak in the cooling system of the water-cooled generator and the replacement of the generator rotor. Annual maintenance of the plants was carried out as planned. Last spring, a maintenance shutdown was carried out at OL2 and a short refuelling outage took place at the OL1 plant unit. In total, the annual maintenance of the OL1 and OL2 plant units lasted about four weeks. TVO started investigating the extension of the operating licences of the OL1 and OL2 units and a potential output increase. In the autumn of 2023, an environmental impact assessment (EIA) procedure was launched.

In 2023, the Olkiluoto 3 plant unit produced 10.4 TWh of electricity.

After the full power tests of the OL3 unit, the unit's production was interrupted as planned in January 2023 due to the replacement of the impellers of the feedwater pumps. The commissioning of OL3 continued on 15 March 2023 with the final performance tests carried out by the plant supplier, which were followed by the final phase of the commissioning process: an uninterrupted demonstration run of about 30 days. OL3 started generating electricity on a regular basis in April 2023, after which the unit was out of production for just under four days in total during the rest of the year. The commissioning of OL3 significantly increased EPV's emission-free production. EPV's generation resources will increase by approximately 160 MW and our annual nuclear output will increase by more than one terawatt-hour in one go.

EPV's direct interest in Teollisuuden Voima is 6.6 per cent, and a total of 1.6 (1.1) TWh of nuclear electricity was acquired in proportion to this share.

EPV Windpower Ltd (100%) focuses on building wind farms and generating wind electricity in the coastal areas of Ostrobothnia and also inland. The wind power stations in operation and owned by EPV Windpower are located in Torkkola in Vaasa (16 turbines), Santavuori in Ilmajoki (17 turbines), Metsälä in Kristinestad (34 turbines), Paskoonharju in Teuva (23 turbines) and Norrskog in Närpes (17 turbines). The Närpes wind farm was put into commercial operation in February 2023. EPV Windpower also continued its preparations for the Rajavuori wind farm in Laihia in 2023. No investment decision has yet been made on the wind farm. Additionally, EPV Windpower holds some legally valid building permits for new power stations. EPV Windpower Ltd had its best production year ever in terms of production volume, exceeding the previous record by 9.9 per

cent. In 2023, the company's total electricity supply to EPV was 1,034 (941) GWh.

Rajakiiri Oy's (60.2%) wind power station in Tornio had its lowest production year in terms of production volume since the completion of the Puuska 2 wind farm. The total electricity generation of the company was 104 (133) GWh, of which 61 (83) GWh were supplied to EPV. There was a small change in Rajakiiri's share of ownership at the end of 2023 when EPV Energy Ltd and Oy Katternö Kraft Ab decided to sell a part of their interest in the Puuska 2 wind farm and the Raahe offshore wind power project to Outokumpu.

EPV Solar Power Ltd (100%) was founded in 2022 and its purpose is to design and build industrial-scale solar parks for EPV. EPV Solar Power made an investment decision in 2023 to build its first industrial-scale solar farm in Heinineva, Lapua. The plan is to implement the new solar farm in two phases. In the first phase, the solar farm will produce approximately 67 GWh of electricity per year. The second phase, if everything goes to plan, will increase the annual output to more than 90 gigawatt-hours. This was a big decision and an excellent first step for EPV towards solar power generation. EPV's strategy emphasises our desire to be at the forefront of progress and to lead the way in the energy transition. This renewable energy project is a purposeful and determined step in our move towards emission-free energy generation. The Finnish Ministry of Economic Affairs and Employment granted the project NextGenerationEU funding of EUR 12 million in December 2022.

The associated company **Pohjolan Voima Oyj** is a power procurement company which operates on an absorption costing principle, supplying electricity to its owners at cost price. EPV's interest in Pohjolan Voima is 5.5 (5.5) per cent and a total of 0.6

(0.3) TWh of nuclear electricity and 0.1 (0.1) TWh of hydroelectricity was acquired accordingly.

Voimapiha Oy (17%) generates hydropower electricity in Sweden. Through its wholly-owned subsidiary Voimapiha AB, Voimapiha Oy holds 25.7 per cent of Vattenfall Kraftgården AB's share capital. The hydropower plants owned by Vattenfall Kraftgården are located on the River Indalsälven, one of the most significant hydropower reserves in Sweden. Voimapiha Oy has approximately 161 MW of generation power in these hydropower plants, corresponding to approximately 866 GWh of average annual output. In 2023, Voimapiha supplied EPV with a total of 261 GWh of hydroelectricity generated in Sweden.

The subsidiary **Seinäjoen Voima Oy**'s (100%) business operations began in March 2018. The company's Seinäjoki power plant had the lowest supply year in its history, generating 135 (399) GWh in 2023. The plant generated a total of 536 (308) GWh of district heating. At the end of 2022, a business transaction was concluded in which Seinäjoen Energia's heat production plants were transferred to Seinäjoen Voima Oy. In this transaction, Seinäjoen Voima acquired the new district heating boiler in the Kapernaumi district of Seinäjoki, the pellet boilers on the Hanneksenrinne road, the peat and biomass-fired district heating boiler in Kapernaumi and five oil-fired boilers as backup when needed. These plants produced 265 GWh of district heat in 2023. No personnel were transferred in the transaction. The wholesale heat supply agreement between Seinäjoen Voima and Seinäjoen Energia came into force on 1 January 2023 and the new district heating agreement for the Seinäjoen Voima power plant came into force on 1 April 2023. The company's 40 MW electric boiler and 400 MWh district heating battery, commissioned in November 2022, were in operation throughout the reporting year.

EPV's subsidiary **Tornion Voima Oy** (100%) is a major energy producer in Tornio. Tornion Voima's production facilities are located in the areas of the Tornio steelworks, Pirkkiö and the Kemi Mine.

Good cooperation with the steelworks and the mine will lead to future energy solutions and investments that will move us closer to emission-free energy production. Tornion Voima focuses on serving the energy needs of the steel company and the mine, allowing heating customers to focus on the production of their own products with high availability. Of the energy generated at the plant, CHP is supplied to EPV; district heating, process steam and district cooling to the Tornio steelworks; district heating and mine air heating to the mine, and district heating to Tornion Energia Oy. Tornion Voima Oy made the decision to invest in a new 40 MW electric boiler back in 2022. The electric boiler will be used to produce process steam and district heating for the Outokumpu stainless steel mill. The boiler will be commissioned in February 2024. In 2023, the total electricity supply to EPV was 135 (190) GWh. The difference in production to 2022 is mainly due to the initial revision of the turbine and generator in 2023.

Raahen Voima Oy is EPV's affiliated company (25%), which generates electricity and heat in the area of the Raahen steelworks. Of the energy generated at the plant, CHP is supplied to EPV, electricity, district heat and process steam to the Raahen steelworks and district heat to Raahen Energia Oy. In terms of operations, 2023 was a good year for Raahen Voima. Its total electricity supply to EPV in 2023 was 146 (129) GWh.

Vaasan Voima Oy (100%) was founded in 2019. In accordance with the business transaction agreements concluded in 2019, Vaskiluodon Voima's business activities were transferred to Vaasan Voima on 31

December 2022. This brought Vaasan Voima's share of the power asset to 230 MW. In the business transaction, 25 people joined the EPV Group under their current employment contracts, without losing the employee benefits they had acquired so far.

The company has built a thermal energy storage (TES) facility in Vaskiluoto, Vaasa, utilising old underground oil storage caverns. The TES facility has a charge and discharge capacity of approximately 110 MW and a storage capacity of approximately 11 GWh. The facility became technically operational in spring 2020, with a storage capacity of 8 GWh at the time, and 2021 was its first full year of operation. During the summer months, the facility stores heat, capitalising on the waste heat created in the Vaasa region. During the winter, the TES facility has been used by the CHP plant. In the long run, this investment will enable more flexible use of wind and solar power in producing heat, while maintaining the possibility of making use of the waste heat created in the Vaasa region.

In 2021, the company built a new 40 MW electric boiler in Vaskiluoto, Vaasa. The electric boiler is an important component of the clean heat generation system of the future and a part of EPV's balancing production capacity. In 2023, the company built two new 60 MW electric boilers in Vaskiluoto. At the same time, the storage capacity of the TES facility was also expanded by converting a cave that had served as an expansion tank into a thermal storage facility. The total capacity after the extension is 11 GWh. This brings the combined output of Vaasan Voima's electric boilers to 160 MW, which places Vaasa's electric heating among the most powerful in Finland in terms of output. Together with the extended TES facility, this solution will bring much-needed flexibility and cost-efficiency to the system, while reducing emissions from district heat production.

The company's electricity generation in 2023 was 234 GWh. The plant generated a total of 418 GWh of district heating. The operations of the affiliated company **Vaskiluodon Voima Oy** were discontinued in 2023 and transferred to Vaasan Voima Oy.

Transmission network companies

The subsidiary **EPV Alueverkko Oy** (100%) practices electricity transmission and network operations mainly in the power transmission network it owns in Ostrobothnia, South Ostrobothnia, Tornio, Kokkola and Iijoki. The amount of energy transmitted for consumption via EPA's transmission network in 2023 was 5,087 (4,865) GWh. The company's network received 3,419 (3,531) GWh of electrical energy from generation plants, to be transferred for consumption and to the main grid.

170 MW worth of new connection agreements were signed in 2023. There are several projects under development, and the possibility of connecting them to the grid is always considered on a case-by-case basis within the existing transmission capacity. The planning and permit processes of industrial-scale solar power projects are also seeing strong growth in our network area. However, the concentration of the projects within the same areas poses challenges for connectivity. Fingrid Oyj has already announced that it is currently not possible to connect power park modules (wind, solar, batteries) to the west coast of Finland due to potential grid stability problems. This situation should improve by 2027-28 with the completion of new 400 kV connections. The company will continue to meet the growing demand for transmission capacity by planning new looped connections that will, at the same time, secure network operations and fault recovery.

As a major electricity distributor in Finland, EPV Alueverkko is also involved in a project to build a large battery technology hub in Laajametsä, Vaasa. The planned construction of this consumption hub in the area has triggered measures at the company to ensure that we provide the necessary services for the required electricity connections. When completed, this future industrial hub will require a considerable volume of electricity distribution, up to several hundred megawatts.

The completed financial year was the fourth and final year of the Energy Authority's fifth regulatory period for network operations (2020–2023). For the operating year, the preliminary calculation of the permitted yield inclines towards underproduction, as does the cumulative permitted yield for the third and fourth regulatory periods.

The Energy Authority has allowed applications for the possibility to use the underproduction accumulated in the 4th regulatory period in the new 6th regulatory period starting in 2024, if any has been accumulated. EPV Alueverkko applied for this, and we received a positive decision from the Energy Authority.

In the course of 2023, the Energy Authority has prepared monitoring methods for the new 6th regulatory period. Major challenges for network companies have been identified in these methods, and network companies nationwide have made statements on the need for changes. Minor improvements have been made, but the case will go to the Market Court, where it is hoped that further improvements will be made to make the methods more reasonable.

During the financial year, EPV Teollisuusverkot Oy (90%) transmitted 1,648 (1,853) GWh of energy

through its transmission network for consumption. EPV Teollisuusverkot's major expansion of the Sella substation was completed and the substation was commissioned in 2022. During the 2023 financial year, further work was completed on the Sella substation building.

Other companies

The purpose of EPV Tase Oy (100%) is to provide balance-related services for EPV's owners and the energy generation companies owned, entirely or partly, by EPV. The sharp rise in market prices in 2022 that accelerated to a historic high in Europe and Finland as a result of geopolitical events did not continue into 2023. On average, the Group gave NordPool and eSett significantly less collateral for trading than in the peak year of 2022. Although the amount of collateral provided decreased significantly, the sharp rise in interest rates that started at the same time has meant that the cost of financing the collateral has not fallen accordingly. Some of the company's service activities were transferred to EPV Operointi Oy, which means that, from 1 January 2024, EPV Tase will only act as a balance responsible party and as a trading channel for its customers on physical electricity marketplaces.

EPV Operointi Oy (100%) was founded on 4 September 2023. It will be responsible for the trading, control and management services of EPV's shareholders, production companies, network companies and affiliated companies. Within the framework of a separate company, we can extend our activities to cover services provided by our affiliated companies and, for example, cooperation in the supervision of power and district heating networks between shareholders. The company will begin its opera-

tions on 1 January 2024. Some of EPV Operointi Oy's services have previously been provided by EPV Tase Oy, and EPV Operointi Oy will continue to provide these services with the same content to the same customers. A completely new area of activity consists of services related to the monitoring of the electricity network, and they will be organised within the framework of the operations centre started in Seinäjoki that operates 24/7/365. These tasks were previously organised as procurement services.

EPV Akkuhybridi Oy (100%) focuses on electrical energy storage solutions. In 2022, the company made an investment decision to build an electrical energy storage facility at the Teuva wind farm with a capacity of 12 megawatts and an energy capacity of 12 megawatt-hours. As more and more electricity is produced from renewable energy, the storage is needed. Different energy storage solutions support and bring flexibility to the electricity system. The introduction of an electric battery was significantly delayed in 2023. The delay was due to the modelling required for the deployment tests and the unforeseen challenges involved. The investment will be completed in early 2024 when the official operating licence is obtained and the final tests can be carried out.

Suomen Energiavarat Oy (SEV) was established for a specific purpose. As a shareholder in Neova Oy, its aim is to develop Neova's operations with the strategic goal of increasing the shareholder value. EPV owns all SEV's Series A shares and 3.9 per cent of its Series B shares.

EPV Aluevarannot Oy's (100%) main focus has been on the procurement of biofuels for the EPV Energy Group and the development of the land owned by the

company. Maximum use was made of the company's own peat production in line with the needs resulting from the energy crisis, and peat production will be maintained for the time being to secure the Group's security of energy supply. Peat for cattle bedding and horticulture also play a role in the utilisation of land. In terms of security of supply, peat continues to be an important fuel for EPV, but the after-use of peat production areas is also an important topic under discussion. The planning of the after-use and the process of abandoning these areas continued. Due to the challenging conditions last summer and autumn, the production of energy peat was only moderately successful, but the company exceeded its targets for environmental peat production. Bio-fuels for wholesale heating, which support variable fuel needs, have also enabled supply chains to exist outside the winter season, allowing almost normal stock rotation.

Powerheat Solutions Oy (70%) was established in 2022 to provide solutions for the electrification of heat and steam production for industrial and district heating companies. Its business operations were at the starting phase during the reporting year.

The subsidiary Vaskiluodon Teollisuuskiinteistöt Oy (100%) is active in the rental of industrial, office and storage facilities. Its facilities are located in a reserve area for power generation.

Manga LNG Oy's (5%) long-term purpose is to deliver competitive liquefied natural gas to its shareholders.

KEY FIGURES ON THE FINANCIAL POSITION

Year	2023	2022	2021
Finances			
Group			
Turnover	MEUR 455.7	MEUR 677.7	MEUR 439.5
Business result	MEUR 21.4	MEUR 11.9	MEUR -11.3
Equity ratio, %	39.9%	38.6%	41.2%
Balance sheet total	MEUR 1,097.2	MEUR 1,127.4	MEUR 977.0
Parent company			
Turnover	MEUR 220.5	MEUR 270.1	MEUR 147.0
Business result	MEUR -3.1	MEUR -1.1	MEUR -2.6
Equity ratio	64.6%	65.7%	67.4%
Balance sheet total	MEUR 533.4	MEUR 529.1	MEUR 469.9
Production			
Electricity acquisition	4.8 TWh	4.1 TWh	4.0 TWh
Electricity distribution	6.7 TWh	6.7 TWh	7.5 TWh
Heat supply	1.4 TWh	1.1 TWh	1.3 TWh

The EPV Energy Group's turnover was EUR 455.7 (677.7) million. The turnover share of the electricity sales was EUR 332.0 (558.4) million and of the remaining operations EUR 123.7 (119.3) million. The decrease in turnover is mainly due to a substantial decrease in the market price of electricity.

The business result of the Group was EUR 21.4 (11.9) million. The net financing costs of the financial year totalled EUR 12.7 (5.6) million. The result for the financial year, as shown in the consolidated financial statements, was EUR 7.4 (5.0) million.

EPV operates according to the absorption costing principle. Its shareholders pay for the variable costs according to the supplied amounts of energy and for the fixed costs in relation to their holdings, regardless of whether their share of the power asset has been utilised or not.

FINANCING AND INVESTMENTS

The Group's balance sheet total remained at the previous year's level and was EUR 1,097.2 (1,127.4) million. Non-current liabilities were EUR 493.2 (486.7) million and current liabilities EUR 139.1 (180.0) million. By the end of the year, the equity ratio of the Group was 39.9 (38.6) per cent. Fuel stocks for security of supply affected the Group's equity ratio negatively.

The liquidity of the Group was good all year. By the end of the year, there was a total of EUR 54.1 (63.8) million in liquid assets and investments. Unused stand-by credit amounted to more than EUR 100 million by the end of the year.

The net investments of the Group totalled EUR 43.8 (142.6) million. The investments in tangible and intangible assets amounted to EUR 48.3 (144.7) million. EUR 11.3 million was raised from shareholders through share issues to finance wind and solar power investments.

The interest rate risk has been hedged through interest rate swap agreements. Further information on derivatives is available in the notes.

THE SHAREHOLDERS, GENERAL SHAREHOLDERS' MEETING AND BOARD OF DIRECTORS

Shareholders

Shareholders' interests at the end of 2023 were as follows:

	2023, %	2022, %
Alajärven Sähkö Oy	1.48	1.44
Cumel Oy	0.32	0.32
Helen Ltd	5.63	5.91
Imatran Seudun Sähkö Oy	0.36	0.36
Jylhän Sähköosuuskunta	4.10	4.09
JärviS-Energia Oy	1.67	1.68
Kaakon Energia Oy	0.36	0.37
KSS Energia Oy	0.64	0.65
Kympivoima Oy	7.52	7.50
Lahti Energia Oy	8.43	8.79
Lehtimäen Sähkö Oy	0.54	0.53
Oulun Energia Oy	2.30	2.19
Outokumpu Oyj	0.27	1.31
Oy Perhonjoki Ab	1.64	1.77
Rauman Energia Oy	0.92	0.93
Seinäjoen Energia Oy	11.92	10.71
Vaasan Sähkö Oy	43.03	42.19
Vantaa Energy Ltd	7.86	8.27
Vimpelin Voima Oy	0.47	0.48
Äänekosken Energia Oy	0.53	0.52
Total	100.0	100.0

General Shareholders' Meetings

The Ordinary General Shareholders' Meeting of 2023 was assembled on 31 March 2023, and during it, issues belonging to the Ordinary General Meeting were discussed.

The Extraordinary General Meeting on 31 January 2023 discussed Helen Ltd's proposal to appoint Jaana Eklund, Chief Legal Officer, as an ordinary member of the Board of Directors following Juha-Pekka Weckström's resignation from the Board.

Board of Directors

In accordance with the Articles of Association, the Board has 10-12 ordinary members and five deputy members. By unanimous decision of the shareholders at the Ordinary General Shareholders' Meeting on 31 March 2023, ten members and five deputy members were elected to the Board of Directors. Director Olli Arola, Managing Director Stefan Damlin, Chief Legal Officer Jaana Eklund, CEO Jouni Haikarainen, Managing Director Vesa Hätilä, CEO Heikki Lappalainen, Managing Director Anders Renvall, Member of Parliament Joakim Strand, Director Markku Vartia and Business Unit Director Hans-Alexander Öst were elected as Ordinary Members of the Board of Directors in accordance with their consent. The Deputy Members elected were Managing Director Esa Ala-Honkola, Managing Director Jari Lepistö, Director Kari Roos, Business Unit Director Markus Tuomala and CEO Jukka Ylitalo.

At its organising meeting, the Board of Directors elected Member of Parliament Joakim Strand as Chairperson and Chief Legal Officer Jaana Eklund as Vice-Chairperson.

The CEO and Management Team

In 2023, the CEO of the company was Rami Vuola. The members of the Management Team as of 31 December 2023 were Rami Vuola, Frans Liski, Reima Neva, Niko Paaso, Maija Suutarinen and Mats Söderlund.

Auditors

In the General Meeting, the audit firm Ernst & Young Oy was elected as the company's Ordinary Auditor for the period until the Ordinary General Shareholders' Meeting in 2024, with Mikko Ryttilahti (CA) and Kristian Berg (CA) as the main responsible Auditors and Anders Svennas (CA) and Marja Huhtala (CA) as Vice Auditors.

SUSTAINABILITY

Sustainability is the basis of EPV Energy's operations, and this is clearly evident in the company's activities, way of thinking and management. Together with its personnel and partners, EPV is creating a cleaner world. The importance of our work is evident in declining emissions, growing use of renewable energy sources and reliable energy production. EPV Energy has more than 70 years of experience in sustainable energy generation. We focus on emission-free and reliable energy generation with determination and purpose. EPV aims to achieve carbon-neutral energy generation in the 2020s.

Our main task is to ensure our capacity for responsible energy generation and to maintain a competitive production cost price far into the future. The energy sector is Finland's most capital-intensive business sector. Power plants and energy infrastructure tie up a large amount of capital over the course of decades. We plan our investments with great care. We are also developing our ability to anticipate our investment needs. We model the coming years' investment needs and strive to fund them in such a way that our security of supply and equity ratio remain desirable.

The Non-financial Reporting Directive is being reformed. The forthcoming Corporate Sustainability Reporting Directive (CSRD) will bring extensive and detailed changes to corporate social responsibility reporting. Extending the former Non-financial Reporting Directive, the CSRD will initially oblige large, publicly listed SMEs to report information on their social and environmental impacts. Similarly, the EU's sustainable finance taxonomy requires finance companies to report what proportion of their portfolio includes investments that contribute to specific environmental objectives, and other companies to report what proportion of their turnover, working capital and investments contribute to the same environmental objectives. EPV's goal is to be in an excellent position to report the information required by the legislation when the obligations are extended to the company. The CSRD will be extended to non-listed companies in 2025. In 2023, EPV has continued to work on its sustainability and taxonomy reporting in line with the CSRD and taxonomy requirements.

Personnel

In line with our strategy, we want to make sure that we keep pace with, and ideally stay at the forefront of, the changes and transformation in the sector. Maintaining the know-how of the EPV Energy Group's personnel plays a key role in ensuring the profitability of the Group's business activities and maintaining the continuous development of its operations.

Good leadership is important to us, and we want to invest in it. Our goal is to create an enthusiastic EPV team where every employee can develop, keep learning new things and be proud of what we achieve together. The New Electricity Revolution® strategy means a renewal for the company. At the same time,

it means renewal for individuals and the way they are managed. We are also systematically working to improve our own leadership. Good management is the right of every EPV employee.

EPV Energy strives to take exemplary care of occupational safety matters. The company's goal is to build for its own employees and contractors a working environment in which occupational accidents do not occur. When working in power plants, wind farms, electricity transmission projects and peat production areas, and during maintenance shutdowns, the importance of cooperation and foresight is highlighted, especially when the goal is zero accidents. A safe working environment is the sum of many factors. It does not happen by chance, but requires constant upkeep and remembering the ground rules common to all. The best results are achieved when practices are monitored and improved together as a team.

In 2023, there were no accidents involving EPV's own staff. This is an excellent achievement by EPV personnel. We emphasise safety at work in everything we do and we are happy and proud to see it is paying off. The accidents recorded in 2023 happened to external contractors. We have set the bar for responsibility extremely high for occupational safety. Our wide reporting of accidents also ensures that even the smallest of accidents are logged, and the necessary measures are taken at the workplace to ensure it does not happen again.

EPV takes a proactive approach to occupational health and well-being. At EPV, we regularly inquire into the state of the working environment and community with various surveys and studies, and develop our personnel policy and workplace atmosphere based on the results obtained from these. Job satisfaction

is monitored regularly with Group-wide staff surveys, which are carried out annually and encompass all personnel. The overall results of the EPV Group's staff survey have been and continue to be at a high level. In 2023, we used the Employee Net Promoter Score (eNPS) index for the first time to measure how likely our employees are to recommend our company as a good place to work, and we received an excellent score of 60.

Over the year, the average number of Group employees was 155 (122). At the end of 2023, EPV Energy had 78 (67) employees, EPV Alueverkko 6 (5), Tornion Voima Oy 27 (27), Seinäjoen Voima Oy 24 (24) and Vaasan Voima Oy 22 employees. The personnel of the Vaasa power plant were transferred to the Group in a business transaction on 31 December 2022 from Vaskiluodon Voima Oy. At the end of 2023, of the Group's total personnel, 70 were managerial employees, 47 professional employees and 40 lower-grade employees.

The environment

The current state of our planet requires great changes and the acceleration of driving down emissions. The message from the research is clear: we can still mitigate climate change and biodiversity loss, but we need to act now. The energy sector has an important role to play in combating climate change. More than 70 per cent of the EU's greenhouse gas emissions come from the processing and consumption of energy that is based on the conversion and combustion of fossil fuels, for example in industry, households and transport. Therefore, tackling climate change requires changes in energy production and consumption. Meeting energy demand and simultaneously reducing greenhouse gas emissions is an enormous challenge for the EU and its member states.

As an energy generation company, EPV has an important role to play: to generate emission-free electricity and thereby help society as a whole, with its ever-increasing need for electricity, to meet its emission targets. According to our strategy, EPV's energy production will become completely emission-free by 2030.

In the future, new electricity will be generated using the zero-emission energy sources of solar, wind, hydro and nuclear power. By focusing on these, we are not only making our own operations emission-free, but also helping society to meet its emissions reduction targets. In 2023, the share of emission-free energy sources in EPV Energy's electricity production was 87.2 per cent.

Again in 2023, we completed several construction projects that will contribute to zero-emission energy production. The largest of these were Olkiluoto 3 and the Närpes wind farm. Also, two new electric boilers were commissioned, the extension of the thermal energy storage facility in Vaasa was completed, and the first electric battery in Teuva is ready to serve and waiting to be connected to the national grid. We also made an investment decision to build EPV's first industrial-scale solar power plant in Lapua. In addition, many projects are in the pipeline for an investment decision, such as a wind farm in Laihia.

EPV is one of the leading operators in industrial-scale wind power production in Finland. Wind power is one of the company's most important energy generation methods. EPV takes responsibility for the smooth functioning and safety of its wind farms throughout their life cycle. This also includes reuse and recycling of the sites where the wind turbines are located. In 2023, EPV also started investing in solar power after

making an investment decision on the first solar power plant in Lapua. This is a big decision and an excellent first step for EPV towards solar power generation. EPV's strategy emphasises our desire to be at the forefront of progress and to lead the way in the energy transition. This renewable energy project is a purposeful and determined step in our move towards emission-free energy generation.

EPV's power plants are involved in the Energy Efficiency Agreements programme. The programme actively drives the company to seek out areas in which we can improve our energy efficiency. With the resulting measures, we are improving the efficiency of our power plants, which can be seen in falling emissions and greater cost savings. Additionally, the majority of EPV's power plants have been granted the ISO 140001:2015 certification for environmental management systems and the ETJ+ Energy Efficiency System.

Audits are used to monitor the responsibility of the Group companies' operations. The audit results can also be utilised to standardise different companies' practices. In 2023, a total of 10 internal and external audits were carried out in EPV's Group companies, focusing on the company's wind farms in production and under construction, electricity distribution, peat production areas and the energy efficiency, cleanliness and chemicals used in power plants.

More detailed environmental information on EPV Energy are presented on the company's website in the Corporate Responsibility Report 2023.

CURRENT LEGAL PROCESSES

The company has no pending legal proceedings.

EVENTS FOLLOWING THE FINANCIAL YEAR

The EIA programme for the lifetime extension and upgrading of the Olkiluoto 1 and Olkiluoto 2 plant units has been completed. On 5 January 2024, the Environmental Impact Assessment (EIA) programme for the potential lifetime extension and capacity increase of the OL1 and OL2 units in Olkiluoto was submitted to the Ministry of Economic Affairs and Employment, which is acting as the coordinating authority. Teollisuuden Voima Oyj is investigating the possibility of extending the service life of the OL1 and OL2 units from 2038 to 2048 or 2058. In addition, TVO is also exploring opportunities to uprate the power of the plant units.

MOST SIGNIFICANT RISKS

EPV's business activities are exposed to several economic and strategic risks and risks relating to energy policies and regulations. The most central factor affecting business profitability is the development of the wholesale price of electricity in the Nordic countries. This price development is mainly determined by the price of fuels and CO2 emissions allowances, as well as the hydrological balance.

The energy sector is a heavily regulated industry. Changes in regulations and taxation often reflect the prevailing political atmosphere and they can also alter the relative profitability of various production methods. Due to their political nature, these changes are often difficult to anticipate and may consequently

increase the risks to individual production methods. EPV maintains a diverse industrial structure. In practice, this means that the energy acquired by the company has been produced using several different methods and that we avoid making the share of an individual production method too large. In addition to this, in order to prepare for potential changes in the operating environment, EPV engages in active strategic work and has a risk management process in place based on the SFS-31000 standard. EPV's strategy and risk management measures are used to help ensure that the company makes correct and timely investment decisions.

RESEARCH AND DEVELOPMENT

EPV has continued to invest in research and development in various sections of electricity generation. Some of the most important areas of research are project opportunities relating to renewable energy and zero-emission electricity and heat generation. EPV aims to be a pioneer in the energy sector, using new electricity to connect the energy needs of different industries. In 2023, the company's research and development activities focused particularly on the development of industrial-scale solar power generation and flexible components for the energy system. EPV has also charted the application of battery technologies in the changing Nordic electricity system and the opportunities presented by hydrogen technology for electricity generation.

Our strategy emphasises our desire to be at the forefront of technological developments and to stay strongly involved in the transformation of the energy sector. In 2023, the technology teams established around all key technologies continued their excellent work. The teams explored new technologies and the

opportunities they bring for future emission-free energy production and flexibility, innovated new solutions and drove projects forward. To ensure that all the teams have the best possible know-how at their disposal, they include people from across the Group.

NEAR FUTURE PROSPECTS

The crucial factors influencing the development of electricity prices in the Nordic countries are the balance between demand and supply, the price levels for fuels and CO2 emission allowances, and the water resource situation. At the beginning of February 2024, the hydrological reserves of the Nordic countries were approximately 10 TWh below the long-term average and at the same level as in the corresponding period in 2023. The market price of emissions allowances for 2024 was about EUR 58 per tonne of carbon dioxide. At the same time, the average electricity price on the derivatives market for the rest of 2024 was approximately EUR 38 per megawatt hour and for 2025 approximately EUR 37 per megawatt hour. The regional price in Finland was respectively EUR 47 and 42 per megawatt hour.

In the current financial year, energy production at the plants owned by the EPV Energy Group is expected to continue as in the previous year.

The uncertainty and risks arising from the geopolitical situation – including the sanctions imposed, potential additional sanctions, counter-sanctions and their consequences – may affect the economic lives of assets, as well as commodity prices and related margining requirements in Europe. Geopolitical tensions in the neighbouring regions are creating uncertainty in energy markets. Fluctuating renew-

able energy production continues to grow, adding to the challenges of balancing the electricity system. Connecting the energy flows of different industries through electricity is more important than ever.

At the centre of EPV Energy’s strategy is new electricity, whose production, storage and use are controlled with new technologies. In the future, new electricity will be solely generated using zero-emission energy sources. EPV continues to invest heavily in increasing emission-free production and the use of various flexible elements.

THE BOARD’S PROPOSITION FOR DISTRIBUTION OF PROFITS

The distributable equity of the parent company amounts to EUR 329,585,111.75, of which the profit or loss for the financial year is EUR 1,728,335.85. The Board of Directors proposes to the General Shareholders’ Meeting that no dividends are to be paid.

Consolidated income statement

CONSOLIDATED INCOME STATEMENT €	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022	Notes
Turnover	455,673,703.49	677,709,406.09	1
Manufacture for own use	1,312,607.20	1,413,500.86	
Other operating income	6,802,825.35	27,795,485.95	2
Materials and services	-269,803,328.59	-573,872,447.24	3
Personnel expenses	-14,406,323.45	-11,662,163.32	4
Depreciation and impairment charges	-43,581,792.37	-33,845,445.67	5
Other operating expenses	-114,092,681.47	-73,303,972.80	6
Share of profit of affiliated companies	-550,883.92	-2,364,190.48	
Business result	21,354,126.24	11,870,173.39	
Finance income and costs	-12,737,459.50	-5,632,965.07	7
Result before taxes	8,616,666.74	6,237,208.32	
Income taxes	-1,822,007.00	-1,838,881.95	9
Minority interests	581,224.71	644,210.84	
Result for the financial year	7,375,884.45	5,042,537.21	

Consolidated balance sheet

CONSOLIDATED BALANCE SHEET €	31 Dec 2023	31 Dec 2022	Notes
Assets			
Non-current assets			
Intangible assets	26,070,082.92	21,334,367.19	10
Tangible assets	689,603,429.65	690,140,182.35	11
Investments			13
Interests in Group companies	263,570.01	263,570.01	
Interests in associated companies	125,299,923.90	126,455,371.59	
Other shares and interests	1,970,875.94	1,972,875.94	
Total non-current assets	843,207,882.42	840,166,367.08	
Current assets			
Inventories	42,879,281.97	49,175,146.01	14
Non-current receivables	70,080,117.72	70,153,299.95	15
Current receivables	86,858,734.11	104,098,602.48	16
Securities included in financial assets	8,135,363.40	0.00	17
Cash in hand and bank receivables	46,010,339.11	63,812,482.73	
Total current assets	253,963,836.31	287,239,531.17	
	1,097,171,718.73	1,127,405,898.25	

CONSOLIDATED BALANCE SHEET €	31 Dec 2023	31 Dec 2022	Notes
Equity and liabilities			
Equity			18
Share capital	14,770,711.80	14,624,919.80	
Share issue	0.00	865,300.00	
Other funds			
Invested non-restricted equity reserve	304,225,763.20	308,157,763.20	
Retained result	103,585,469.57	98,913,963.78	
Result for the financial year	7,375,884.45	5,042,537.21	
Total equity	429,957,829.02	427,604,483.99	
Minority interests	7,770,877.21	7,188,890.74	
Provisions for liabilities and charges	3,500,000.00	3,500,000.00	19
Liabilities			
Deferred tax liabilities	23,667,129.02	22,453,561.87	20
Non-current liabilities	493,192,419.26	486,660,224.89	21
Current liabilities	139,083,464.22	179,998,736.76	22
Total liabilities	655,943,012.50	689,112,523.52	
	1,097,171,718.73	1,127,405,898.25	

Consolidated cash flow statement

CONSOLIDATED CASH FLOW STATEMENT €	2023	2022
Operating activities		
Business result	21,354,126.24	11,870,173.39
Adjustments to business result 1)	41,726,735.20	36,165,031.34
Changes in working capital 2)	2,863,310.00	-50,933,237.83
Dividends received	182,160.00	413,360.00
Interest received	9,630,845.01	812,524.59
Interest paid	-20,847,436.38	-4,393,483.10
Other financial income and expenses	-1,703,028.13	-2,465,366.56
Taxes	-608,439.85	-1,031,246.74
Cash flow from operating activities	52,598,272.09	-9,562,244.91
Investment activities		
Acquisition of shares	-3,048.00	0.00
Increase (-) in acquisition of tangible and intangible assets	-48,078,483.83	-144,672,147.88
Investment aid	544,480.00	0.00
Return of capital received	1,771,956.33	1,727,200.00
Proceeds from sales of non-current assets	2,204,361.76	339,561.99
Cash flow from investment activities	-43,560,733.74	-142,605,385.89
Financing activities		
Share issue	11,300,000.00	38,100,000.00
Return of capital paid	-651,508.00	0.00
Redemption of own shares	-415,337.01	0.00
Proceeds from long-term loans	72,087,204.33	160,214,721.79
Repayments of long-term loans	-65,812,422.24	-52,260,975.70
Proceeds from current financing (liabilities)	952,380.95	20,000,000.00
Repayment of short-term loans	-44,300,000.00	-15,829,387.12
Cash flow from financing activities	-26,839,681.97	150,224,358.97

CONSOLIDATED CASH FLOW STATEMENT €	2023	2022
Change in cash and cash equivalents	-17,802,143.62	-1,943,271.83
Liquid assets 1 Jan	63,812,482.73	65,755,754.56
Liquid assets 31 Dec	46,010,339.11	63,812,482.73
1) Adjustments to business result		
Share of profit of affiliated companies	550,883.92	2,364,190.48
Depreciation and impairment charges	43,581,792.37	33,845,445.67
Gain (-) or loss (+) from divestment of non-current assets	-2,405,941.09	-57,403.61
Non-cash items	0.00	12,798.80
	41,726,735.20	36,165,031.34
2) Changes in working capital		
Increase (-) or decrease (+) in non-interest-bearing receivables	-6,122,312.83	-13,343,645.71
Increase (-) or decrease (+) in inventories	6,295,864.04	-39,125,114.24
Increase (+) or decrease (-) in non-interest-bearing liabilities	2,689,758.79	1,535,522.12
	2,863,310.00	-50,933,237.83

Parent company's income statement

PARENT COMPANY'S INCOME STATEMENT €	1 Jan-31 Dec 2023	1 Jan-31 Dec 2022	Notes
Turnover	220,458,314.09	270,070,294.92	1
Manufacture for own use	112,660.00	0.00	
Other operating income	8,350,200.11	5,166,592.06	2
Materials and services	-114,954,920.12	-208,797,576.51	3
Personnel expenses	-7,944,689.01	-7,186,390.47	4
Depreciation and impairment charges	-233,110.68	-291,748.90	5
Other operating expenses	-108,898,469.43	-60,039,213.22	6
Business result	-3,110,015.04	-1,078,042.12	
Finance income and costs	-156,915.58	-250,959.36	7
Result before appropriations and taxes	-3,266,930.62	-1,329,001.48	
Appropriations			8
Difference between planned depreciations and tax depreciations	-54,703.73	-142,268.39	
Group contributions received	5,050,000.00	5,050,000.00	
	4,995,296.27	4,907,731.61	
Income taxes	-29.80	-631,736.12	9
Result for the financial year	1,728,335.85	2,946,994.01	

Parent company's balance sheet

PARENT COMPANY'S BALANCE SHEET €	31 Dec 2023	31 Dec 2022	Notes
Assets			
Non-current assets			
Intangible assets	1,122,053.84	240,315.38	10
Tangible assets	3,325,053.05	3,135,521.70	11
Investments			13
Interests in Group companies	254,745,278.26	244,255,485.25	
Interests in associated companies	124,881,780.96	125,486,344.74	
Other shares and interests	1,970,875.94	1,972,875.94	
Total non-current assets	386,045,042.05	375,090,543.01	
Current assets			
Inventories	1,534,635.60	1,456,140.36	14
Non-current receivables	73,534,113.22	67,860,863.45	15
Current receivables	64,944,003.01	84,241,493.75	16
Cash in hand and bank receivables	7,386,800.99	494,227.03	
Total current assets	147,399,552.82	154,052,724.59	
	533,444,594.87	529,143,267.60	

PARENT COMPANY'S BALANCE SHEET €	31 Dec 2023	31 Dec 2022	Notes
Equity and liabilities			
Equity			18
Share capital	14,770,711.80	14,624,919.80	
Share issue	0.00	865,300.00	
Other funds			
Invested non-restricted equity reserve	304,225,763.20	308,157,763.20	
Retained result	23,631,012.70	21,099,355.70	
Result for the financial year	1,728,335.85	2,946,994.01	
Total equity	344,355,823.55	347,694,332.71	
Accumulated appropriations			20
Depreciation difference	196,972.12	142,268.39	
Liabilities			
Non-current liabilities	128,424,044.23	107,566,877.05	21
Current liabilities	60,467,754.97	73,739,789.45	22
Total liabilities	188,891,799.20	181,306,666.50	
	533,444,594.87	529,143,267.60	

Parent company's cash flow statement

PARENT COMPANY'S CASH FLOW STATEMENT €	2023	2022
Operating activities		
Business result	-3,110,015.04	-1,078,042.12
Adjustments to business result 1)	-2,248,778.86	243,455.67
Changes in working capital 2)	23,734,494.20	-14,035,631.07
Dividends received	182,160.00	413,360.00
Interest received	4,277,269.95	920,983.25
Interest paid	-5,248,971.35	-1,334,833.77
Other financial income and expenses	632,625.82	-250,468.84
Income taxes	-29.80	-631,736.12
Cash flow from operating activities	18,218,754.92	-15,752,913.00
Investment activities		
Acquisition of shares	-11,353,048.00	-40,705,000.00
Increase (-) in acquisition of tangible and intangible assets	-1,304,380.49	-284,712.54
Return of capital received	1,771,956.33	1,788,292.03
Proceeds from sales of non-current assets	2,179,751.98	120,199.10
Cash flow from investment activities	-8,705,720.18	-39,081,221.41
Financing activities		
Proceeds from long-term loans	20,857,167.18	15,257,512.88
Increase (-) or decrease (+) in interest-bearing receivables	-9,760,782.95	-8,816,376.48
Increase (+) or decrease (-) in short-term interest-bearing liabilities	-29,000,000.00	5,170,612.88
Group contributions received	5,050,000.00	5,050,000.00
Paid-up equity increase	11,300,000.00	38,100,000.00
Return of capital paid	-651,508.00	0.00
Redemption of own shares	-415,337.01	0.00
Cash flow from financing activities	-2,620,460.78	54,761,749.28

PARENT COMPANY'S CASH FLOW STATEMENT €	2023	2022
Change in cash and cash equivalents	6,892,573.96	-72,385.13
Liquid assets 1 Jan	494,227.03	566,612.16
Liquid assets 31 Dec	7,386,800.99	494,227.03
1) Adjustments to business result		
Depreciation and write-downs	233,110.68	291,748.90
Non-cash items	0.00	12,798.80
Gain (-) or loss (+) from divestment of non-current assets	-2,481,889.54	-61,092.03
	-2,248,778.86	243,455.67
2) Changes in working capital		
Increase (-) or decrease (+) in non-interest-bearing receivables	8,085,023.92	-21,106,089.12
Increase (-) or decrease (+) in inventories	-78,495.24	-639,252.28
Increase (+) or decrease (-) in short-term non-interest-bearing liabilities	15,727,965.52	7,709,710.33
	23,734,494.20	-14,035,631.07

Notes to the Financial Statements

ACCOUNTING PRINCIPLES

The scope and accounting principles of the consolidated financial statements

EPV Energy Group consists of EPV Energy Ltd and its subsidiaries. The registered office of the Group's parent company, EPV Energy Ltd, is Vaasa. The consolidated financial statements incorporate all the subsidiaries and affiliated companies, excluding Voimapiha Oy.

EPV Energy Ltd owns all the Series A shares of Suomen Energiavarat Oy. Suomen Energiavarat Oy's financial statements have not been incorporated into the consolidated financial statements, since the company was established for a specific purpose and the Series A shares EPV Energy Ltd owns do not entitle it to any dividends. The affiliated company Voimapiha Oy has also not been incorporated into the consolidated financial statements, because the Series A shares EPV Energy Ltd owns do not entitle it to any dividends.

The **subsidiaries** have mainly been established by the parent company and have been incorporated in accordance with the acquisition cost method. The only exception is the online business Vaskiluodon Teollisuuskiinteistöt Oy, which has been incorporated in accordance with the equity method. The portion of the purchase price paid for this subsidiary which exceeds equity (difference on consolidation) at the time of acquisition has been allocated to the transmission network.

The Group's internal transactions and internal assets and liabilities have been eliminated.

Minority interests have been separated from the result for the financial year and equity and are presented as a separate item in the income statement and balance sheet.

The accumulated depreciation difference has been divided into non-restricted equity and deferred tax liabilities. The change in depreciation in the income statement has been divided into the result for the financial year and the change in deferred tax liabilities.

The **affiliated companies** have been incorporated in accordance with the equity method. A share of the affiliated company's result and change in depreciation (less deferred tax liabilities) equivalent to the Group's interest is included in the income statement.

In the balance sheet, the share of the affiliated company's equity and the accumulated depreciation, less deferred tax liabilities, are presented as share value.

Non-current assets

Non-current assets are entered in the balance sheet under the original acquisition cost, less contributions received and scheduled depreciation and amortisation. Planned depreciations are calculated according to the asset's expected economic life.

The depreciation periods are:	
Intangible rights	10–20 years
Other long-term expenses	5–40 years
Goodwill	5–15 years
Buildings and structures	5–30 years
Machinery and equipment	5–52 years
Transmission network	30 years

The share of wasteland and standing crop in the direct acquisition costs of bog areas intended for peat production are entered under item land. The remaining direct acquisition costs of bog areas are recognised under peat resources. Peat resources are depreciated under the machine hour method of depreciation.

The expenses directly linked to wind power projects are entered under purchases in progress. They are part of the preparation process for investments. The prerequisites for completing the projects are investigated annually and separately for each project.

An increased depreciation on machinery and equipment capitalised during the financial year has been carried out by some subsidiaries, as allowed in the tax years 2020–2023 by Act 1572/2019 (not available in English).

Valuation of inventories

Inventories are evaluated as direct acquisition costs according to the FIFO principle. Should the probable acquisition cost of the inventories be lower than the original acquisition cost on the date of the financial statements, the difference is not entered as a cost due to the absorption costing principle.

Emission allowances

Emission allowances received free of charge are assets not included in the balance sheet.

Feed-in tariff system

The feed-in tariff system covers the power generation subsidy, or feed-in tariff, which fluctuates based on the electricity market price paid to wind, biogas, forest chip and wood-based fuel power plants or on the emission allowance price.

The subsidies granted based on the feed-in tariff system are recognised in the company's turnover.

Derivatives management

The interest rate tying period of floating-rate loans has been extended with interest rate swap agreements, using hedge accounting principles. The derivative agreements have not been recognised in the balance sheet. Derivatives used to manage interest rate risk have been accrued for the agreement period. Income from interest rate derivatives is shown under finance income and expenses under finance expenses.

The purchase of coal in foreign currency has been hedged using forward exchange agreements.

The nominal values, fair values and other key figures of the derivative instruments are presented in the notes.

Pension cover

The pension cover of the company's personnel is taken care of by an external pension insurance company.

List of ledgers and materials

A list of ledgers and materials is attached to the balance sheet specifications.

Notes to the income statement

NOTES TO THE INCOME STATEMENT (€1,000)	Group		Parent company	
	2023	2022	2023	2022
1. TURNOVER				
Electricity sales	331,990	1) 558,416	1) 218,289	263,400
Heat sales	91,453	58,303	0	0
Other activities	32,231	60,990	2,169	6,670
	455,674	677,709	220,458	270,070
2. OTHER OPERATING INCOME				
Rental income	103	1,253	121	86
Capital gains on fixed assets	2,416	118	2,487	61
Other income	4,283	7,732	5,742	5,020
Fuel sales	0	18,692	0	0
	6,803	27,795	8,350	5,167
3. MATERIALS AND SERVICES				
Energy purchases and distribution charges	168,943	1) 455,836	1) 96,201	171,633
Fuels	60,277	103,361	1,090	2,391
Emission allowance purchases	26,456	46,533	17,664	34,773
Purchases during period	255,676	605,730	114,955	208,798
Increase (-) or decrease (+) in inventories	6,184	-38,274	0	0
External services	7,943	6,416	0	0
	269,803	573,872	114,955	208,798

1) Deals (sales and purchases) closed with the Nord Pool power exchange or other wholesale markets are presented according to the gross principle, as in previous years.

NOTES TO THE INCOME STATEMENT (€1,000)	Group		Parent company	
	2023	2022	2023	2022
4. PERSONNEL EXPENSES				
Wages, salaries and bonuses	11,826	9,574	6,469	5,871
Pension expenses	2,140	1,755	1,214	1,099
Other additional personnel expenses	440	333	262	216
	14,406	11,662	7,945	7,186
Salaries and bonuses paid to the CEO and the Board of Directors	651	603	613	565
Average number of personnel during financial year	155	122	73	64
5. DEPRECIATION AND IMPAIRMENT CHARGES				
Planned depreciations				
Intangible assets	558	505	0	0
Other non-current expenses	1,791	1,449	166	118
Buildings and structures	5,286	4,237	24	105
Machinery and equipment	31,364	23,710	44	68
Transmission network	3,699	3,556	0	0
Other tangible assets	72	72	0	0
Peat resources	534	317	0	0
	43,304	33,845	233	292

NOTES TO THE INCOME STATEMENT (€1,000)	Group		Parent company	
	2023	2022	2023	2022
Reduction in value of non-current assets				
Peat resources	278	0	0	0
	43,582	33,845	233	292

6. OTHER OPERATING EXPENSES

Firm energy purchases	73,678	42,759	104,814	55,976
External services	27,548	21,723	1,548	1,601
Administrative costs	2,112	1,972	1,351	1,375
Rent	2,151	2,215	451	404
Materials and supplies	3,787	1,613	64	84
Other personnel expenses	1,031	720	605	500
Commitment expenses and public payments	3,787	2,444	61	85
Other expenses and adjustments	0	-141	5	13
	114,093	73,304	108,898	60,039

Auditor's fees

Auditing fees	199	160	97	81
Certificates and expert opinions	14	3	5	2
Tax advisory fees	4	3	1	3
Other services	206	88	206	77
	422	253	308	163

7. FINANCE INCOME AND COSTS

Dividend income				
From others	182	413	182	413
	182	413	182	413

NOTES TO THE INCOME STATEMENT (€1,000)	Group		Parent company	
	2023	2022	2023	2022
Other interest and finance income				
From Group companies	64	22	1,487	500
From affiliated companies	0	18	0	18
From others	9,566	1,025	4,354	698
	9,631	1,065	5,841	1,215

Interest and other finance costs

To Group companies	-	-	0	0
To affiliated companies	-65	-36	0	0
To others	-22,485	-7,076	-6,180	-1,879
	-22,550	-7,111	-6,180	-1,879

Total finance income and costs

	-12,737	-5,633	-157	-251
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8. APPROPRIATIONS

Increase (-) or decrease (+) in cumulative difference between actual and planned depreciation	-	-	-55	-142
Group contributions received (+) and paid (-)	-	-	5,050	5,050
	0	0	4,995	4,908

9. INCOME TAXES

Income tax on ordinary activities	608	1,031	0	632
Changes in deferred tax liabilities	1,214	808	-	-
	1,822	1,839	0	632

Notes to the balance sheet

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2023	2022	2023	2022
10. INTANGIBLE ASSETS				
Intangible rights				
Acquisition cost 1 Jan	2,680	1,481	5	18
Increases	788	1,212	75	0
Decreases	0	-13	0	-13
Acquisition cost 31 Dec	3,468	2,680	80	5
Accumulated depreciation and impairment charges 1 Jan	-747	-642	0	0
Depreciation for the period	-158	-105	0	0
Book value 31 Dec	2,564	1,933	80	5
Goodwill				
Acquisition cost 1 Jan	6,000	6,000	0	0
Acquisition cost 31 Dec	6,000	6,000	0	0
Accumulated depreciation and impairment charges 1 Jan	-5,600	-5,200	0	0
Depreciation for the period	-400	-400	0	0
Book value 31 Dec	0	400	0	0

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2023	2022	2023	2022
Other non-current expenses				
Acquisition cost 1 Jan	32,949	27,504	3,738	3,706
Increases	6,296	5,445	973	32
Acquisition cost 31 Dec	39,245	32,949	4,710	3,738
Accumulated depreciation and impairment charges 1 Jan	-13,948	-12,498	-3,502	-3,384
Depreciation for the period	-1,791	-1,449	-166	-118
Book value 31 Dec	23,506	19,001	1,042	235
Total intangible assets				
Acquisition cost 1 Jan	41,629	34,985	3,743	3,723
Increases	7,085	6,657	1,048	32
Decreases	0	-13	0	-13
Acquisition cost 31 Dec	48,713	41,629	4,790	3,743
Accumulated depreciation and impairment charges 1 Jan	-20,294	-18,340	-3,502	-3,384
Depreciation for the period	-2,349	-1,954	-166	-118
Book value 31 Dec	26,070	21,334	1,122	240

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2023	2022	2023	2022
11. TANGIBLE ASSETS				
Land				
Acquisition cost 1 Jan	11,818	11,372	1,992	1,992
Increases	264	617	0	0
Decreases	-12	-171	0	0
Acquisition cost 31 Dec	12,070	11,818	1,992	1,992
Book value 31 Dec	12,070	11,818	1,992	1,992
Peat resources				
Acquisition cost 1 Jan	4,572	4,572	0	0
Increases	0	0	0	0
Decreases	-278	0	0	0
Acquisition cost 31 Dec	4,294	4,572	0	0
Accumulated depreciation and impairment charges 1 Jan	-1,859	-1,543	0	0
Depreciation for the period	-534	-317	0	0
Book value 31 Dec	1,901	2,713	0	0
Buildings and structures				
Acquisition cost 1 Jan	108,879	80,977	2,271	2,997
Increases	17,100	28,628	0	0
Decreases	0	-726	0	-726
Acquisition cost 31 Dec	125,979	108,879	2,271	2,271
Accumulated depreciation and impairment charges 1 Jan	-25,653	-22,142	-1,872	-2,493
Accumulated depreciation from deduction	0	726	0	726
Depreciation for the period	-5,286	-4,237	-24	-105
Book value 31 Dec	95,040	83,226	376	399

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2023	2022	2023	2022
Machinery and equipment				
Acquisition cost 1 Jan	566,827	408,565	2,511	2,766
Increases	100,373	158,451	6	15
Investment aid	-544	0	0	0
Decreases	0	-189	0	-270
Acquisition cost 31 Dec	666,656	566,827	2,517	2,511
Accumulated depreciation and impairment charges 1 Jan	-163,690	-139,891	-2,370	-2,452
Accumulated depreciation from deduction	0	182	0	150
Depreciation for the period	-31,364	-23,982	-44	-68
Book value 31 Dec	471,602	403,137	104	141
Book value of production machinery and equipment included in fixed assets 31 Dec	468,344	381,419	54	68
Transmission network				
Acquisition cost 1 Jan	89,322	83,412	0	0
Increases	3,273	5,931	0	0
Decreases	-16	-21	0	0
Acquisition cost 31 Dec	92,579	89,322	0	0
Accumulated depreciation and impairment charges 1 Jan	-32,171	-28,637	0	0
Accumulated depreciation from deduction	16	21	0	0
Depreciation for the period	-3,699	-3,556	0	0
Book value 31 Dec	56,724	57,150	0	0

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2023	2022	2023	2022
Other tangible assets				
Acquisition cost 1 Jan	1,081	1,081	0	0
Acquisition cost 31 Dec	1,081	1,081	0	0
Accumulated depreciation and impairment charges 1 Jan	-1,009	-936	0	0
Depreciation for the period	-72	-72	0	0
Book value 31 Dec	0	72	0	0
Prepayments and purchases in progress				
Acquisition cost 1 Jan	132,024	183,907	603	366
Increases	33,137	69,289	981	437
Decreases	-112,896	-121,172	-731	-200
Acquisition cost 31 Dec	52,265	132,024	854	603
Book value 31 Dec	52,265	132,024	854	603
Total tangible assets				
Acquisition cost 1 Jan	914,506	773,869	7,492	8,236
Increases	154,148	262,916	987	453
Investment aid	-544	0	0	0
Decreases	-113,202	-122,279	-731	-1,196
Acquisition cost 31 Dec	954,908	914,506	7,749	7,492
Accumulated depreciation and impairment charges 1 Jan	-224,366	-193,132	-4,357	-5,059
Accumulated depreciation from deduction	16	930	0	876
Depreciation for the period	-40,955	-32,163	-67	-173
Book value 31 Dec	689,603	690,140	3,325	3,136

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2023	2022	2023	2022
12. CAPITALISED INTEREST COSTS				
Capitalised in the financial year	382	860	0	0
Without depreciation of capitalised interest costs				
Prepayments and purchases in progress	227	1,310	0	0
Other non-current expenses	215	139	0	0
Buildings and structures	1,059	862	0	0
Machinery and equipment	4,984	4,061	0	0
Transmission network	34	36	0	0
	6,519	6,408	0	0
13. INVESTMENTS				
Interests in Group companies				
Acquisition cost 1 Jan	264	264	244,255	203,550
Increases	0	0	11,353	40,705
Decreases	0	0	-863	0
Acquisition cost 31 Dec	264	264	254,745	244,255
Book value 31 Dec	264	264	254,745	244,255
Interests in associated companies				
Acquisition cost 1 Jan	126,455	129,785	125,486	126,390
Increases	592	0	0	0
Decreases	-1,748	-3,329	-605	-904
Acquisition cost 31 Dec	125,300	126,455	124,882	125,486
Book value 31 Dec	125,300	126,455	124,882	125,486

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2023	2022	2023	2022
Other shares and interests				
Acquisition cost 1 Jan	1,973	2,796	1,973	2,796
Decreases	-2	-823	-2	-823
Acquisition cost 31 Dec	1,971	1,973	1,971	1,973
Book value 31 Dec	1,971	1,973	1,971	1,973
Total investments				
Acquisition cost 1 Jan	128,692	132,844	371,715	332,737
Increases	592	0	11,353	40,705
Decreases	-1,750	-4,152	-1,470	-1,727
Acquisition cost 31 Dec	127,534	128,692	381,598	371,715
Book value 31 Dec	127,534	128,692	381,598	371,715

NOTES TO THE BALANCE SHEET (€1,000)

INVESTMENTS

Name of entity	Registered office	Group share, %	Group voting control, %	Parent company share, %	Shares owned by parent company	
					Shares	Book value
Interests in Group companies						
EPV Akkuhybridi Oy	Vaasa	100.0	100.0	100.0	3,500	2,103
EPV Alueverkko Oy	Vaasa	100.0	100.0	100.0	17,000	17,455
EPV Aluevarannot Oy	Vaasa	100.0	100.0	100.0	1,000	6,150
EPV Solar Power Ltd	Vaasa	100.0	100.0	100.0	4,500	5,003
EPV Operointi Oy	Vaasa	100.0	100.0	100.0	500	50
EPV Siirtoverkko Oy	Vaasa	100.0	100.0	100.0	5,000	5
EPV Tase Oy	Vaasa	100.0	100.0	100.0	500	500
EPV Teollisuusverkot Oy (A)	Vaasa	90.0	90.0	90.0	90	2,003
EPV Windpower Ltd (A)	Vaasa	100.0	100.0	100.0	564	2,678
EPV Windpower Ltd (B)	Vaasa	100.0	100.0	100.0	5,200	25,933
EPV Windpower Ltd (C)	Vaasa	100.0	100.0	100.0	4,700	23,500
EPV Windpower Ltd (D)	Vaasa	100.0	100.0	100.0	10,000	50,000
EPV Windpower Ltd (E)	Vaasa	100.0	100.0	100.0	7,436	37,072
EPV Windpower Ltd (F)	Vaasa	100.0	100.0	100.0	6,800	34,000
		100.0	100.0	100.0	34,700	173,183
Powerheat Solutions Oy	Espoo	70.0	70.0	70.0	5,000	500
Rajakiiri Oy (A)	Tornio	60.2	60.2	60.2	9,431	3,313
Rajakiiri Oy (B)	Tornio	60.2	60.2	60.2	4,615	3,386
		60.2	60.2	60.2	14,046	6,699

NOTES TO THE BALANCE SHEET (€1,000)

INVESTMENTS

Name of entity	Registered office	Group share, %	Group voting control, %	Parent company share, %	Shares owned by parent company	
					Shares	Book value
Seinäjoen Voima Oy	Vaasa	100.0	100.0	100.0	18,001	18,353
Tornion Voima Oy	Tornio	100.0	100.0	100.0	7,500	15,008
Vaasan Voima Oy	Vaasa	100.0	100.0	100.0	9,500	7,473
Vaskiluodon Teollisuuskiinteistöt Oy	Vaasa	100.0	100.0	100.0	4,000	264
Interests in associated companies						
EPM Metsä Oy	Vaasa	50.0	50.0	50.0	200,000	174
Raahen Voima Oy	Raahе	25.0	25.0	25.0	675,625	8,376
Voimapiha Oy (A)	Helsinki	16.7	32.7	16.7	200,000	20,000
Woodtracker Oy	Espoo	17.6	17.6	17.6	30,000	30
Pohjolan Voima Oyj (A)	Helsinki			5.2	692,549	7,793
Pohjolan Voima Oyj (B)	Helsinki			3.2	230,558	2,735
Pohjolan Voima Oy (B2)	Helsinki			5.3	297,418	20,669
Pohjolan Voima Oyj (C2)	Helsinki			3.2	11,624	138
Pohjolan Voima Oyj (C)	Helsinki			14.3	318,041	467
Pohjolan Voima Oyj (M)	Helsinki			3.0	9,355	331
Pohjolan Voima Oyj (V)	Helsinki			21.5	224,735	3,952
				5.5	1,784,280	36,085

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2023	2022	2023	2022
14. INVENTORIES				
Power plants' fuel	41,327	47,507	0	0
Advance payments	1,553	1,668	1,535	1,456
	42,879	49,175	1,535	1,456
15. NON-CURRENT RECEIVABLES				
Loan receivables	67,382	67,382	73,462	67,697
Other non-current receivables	2,698	2,771	72	164
	70,080	70,153	73,534	67,861
Receivables from Group companies				
Loan receivables	1,520	1,520	7,600	1,835
Receivables from associated companies				
Loan receivables	65,695	65,695	65,695	65,695
16. CURRENT RECEIVABLES				
Trade receivables	56,816	66,467	34,218	46,794
Loan receivables	0	0	19,373	15,285
Unpaid share capital	89	15,300	0	15,300
Other receivables	10,335	13,031	4	2
Prepayments and accrued income *)	19,619	9,301	11,350	6,861
	86,859	104,099	64,944	84,241
Share issue receivables from 2022 relate to wind and solar power investments				
Receivables from Group companies				

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2023	2022	2023	2022
Trade receivables	-	-	566	177
Loan receivables	-	-	19,373	15,285
Prepayments and accrued income	23	12	227	154
	23	12	20,166	15,616
Receivables from associated companies				
Trade receivables	3,794	6,035	0	918
Loan receivables	580	286	0	0
Prepayments and accrued income	9,007	3,297	9,007	3,297
	13,381	9,618	9,007	4,215
*) Significant items included in prepayments and accrued income				
Accrued electricity purchases	8,510	3,019	8,510	3,019
Preliminary investment appraisal costs	0	1,702	0	1,702
Accrued emission allowances bought	1,358	1,019	983	1,019
Accrued electricity and heat sales	1,436	1,598	1	322
Accrued interest income	3,317	692	1,687	402
Accrued VAT	28	204	19	166
Accrued external services	294	163	57	77
Accrued LNG sales	0	0	0	59
Accrued energy aid	3,460	0	0	0
Accrued excise taxes	477	149	0	0
Accrued investment aid	611	585	0	0
Other	129	170	92	95
	19,619	9,301	11,350	6,861

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2023	2022	2023	2022
17. SECURITIES INCLUDED IN FINANCIAL ASSETS				
Difference between the acquisition cost and market value of marketable securities included in financial assets				
Units in mutual funds				
Market value 31 Dec	8,135	-	-	-
Book value 31 Dec	8,135	-	-	-
Difference	0			
18. EQUITY				
Restricted equity				
Share capital 1 Jan	14,625	14,310	14,625	14,310
Increase in share capital	797	315	797	315
Issuance of equity to shareholders	-652	0	-652	0
Share capital 31 Dec	14,771	14,625	14,771	14,625
Share issue 1 Jan	865	704	865	704
Unregistered share capital	0	434	0	434
Transfer to share capital	-797	-272	-797	-272
Expiration of underwriting	-68	0	-68	0
Share issue 31 Dec	0	865	0	865
Total restricted equity	14,771	15,490	14,771	15,490

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2023	2022	2023	2022
Non-restricted equity				
Invested non-restricted equity reserve 1 Jan	308,158	280,634	308,158	280,634
Investment in invested non-restricted equity reserve	0	27,524	0	27,524
Expiration of underwriting	-3,932	0	-3,932	0
Invested non-restricted equity reserve 31 Dec	304,226	308,158	304,226	308,158
Retained result 1 Jan	103,957	98,914	24,046	21,099
Changes in minority interests	44	0	0	0
Redemption of own shares	-415	0	-415	0
Retained result 31 Dec	103,585	98,914	23,631	21,099
Result for the financial year	7,376	5,043	1,728	2,947
Total non-restricted equity	415,187	412,114	329,585	332,204
TOTAL EQUITY	429,958	427,604	344,356	347,694
Depreciation difference				
Share from depreciation difference entered under equity	91,464	86,552	-	-

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2023	2022	2023	2022
Calculation of distributable equity 31 Dec				
Retained result	-	-	23,631	21,099
Result for the financial year	-	-	1,728	2,947
Invested non-restricted equity reserve	-	-	304,226	308,158
	-	-	329,585	332,204

NOTES TO THE BALANCE SHEET (€1,000)

Share capital by share class	shares	€1,000
Series A1		
- the right to receive electricity generated through nuclear power by the nuclear power plant units Olkiluoto 1, Olkiluoto 2 and Olkiluoto 3, based on the company Teollisuuden Voima Oyj's Series A and B shares or shares replacing them	3,630,898	6,173
Series A2		
- the right to receive electricity generated through nuclear power by Teollisuuden Voima Oyj's nuclear power plant units Olkiluoto 1 and Olkiluoto 2, based on the company Pohjolan Voima Oyj's Series B shares or shares replacing them	250,000	425
Series A3		
- the right to receive electricity generated through nuclear power by Teollisuuden Voima Oyj's nuclear power plant unit Olkiluoto 3, based on the company Pohjolan Voima Oyj's Series B2 shares or shares replacing them	600,486	1,021
Series B		
- the right to receive electricity generated mainly at the Meri-Pori coal power plant, based on the company Teollisuuden Voima Oyj's Series C and Pohjolan Voima Oyj's Series C2 shares or shares replacing them	64,653	110
Series C		
- the right to receive electricity generated mainly by Mussalon Voima Oy, based on the company Pohjolan Voima Oyj's Series M shares or shares replacing them	20,517	35
Series D1		
- the right to receive electricity generated at the Vaskiluodon Voima power plant, based on the company Vaskiluodon Voima Oy's or, from 1 January 2023, Vaasan Voima Oy's shares or shares replacing them	622,500	1,058

NOTES TO THE BALANCE SHEET (€1,000)

Share capital by share class	shares	€1,000
Series D2		
- the right to receive electricity generated mainly at Vaskiluodon Voima Oy's thermal power station in Vaasa, based on the company Pohjolan Voima Oyj's Series V shares or shares replacing them	113,091	192
Series D3		
- the right to receive electricity generated at the Seinäjoki thermal power station, based on the company Seinäjoen Voima Oy's shares or shares replacing them	183,500	312
Series E1		
- the right to receive electricity generated in Finland mainly through hydroelectric power, based on the company Pohjolan Voima Oyj's Series A shares or shares replacing them	543,375	924
Series E3		
- the right to receive electricity generated in Sweden mainly through hydroelectric power, based on the company Voimapiha Oy's Series A shares or shares replacing them	110,000	187
Series F		
- the right to receive electricity generated mainly at the Tahkoluoto and Kristinestad power plants, based on the company Pohjolan Voima Oyj's Series C shares or shares replacing them	197,964	337
Series G		
- the right to proceeds not included in other share series and the liability to pay corresponding expenses	302,400	514

NOTES TO THE BALANCE SHEET (€1,000)

Share capital by share class	shares	€1,000
Series M		
- the right to receive liquid natural gas (LNG), based on the company Manga LNG Oy's shares or shares replacing them	6,000	10
Series S		
- the right to receive electricity generated through solar power, based on the company EPV Solar Power Ltd's shares or shares replacing them	50,000	85
Series T1		
- the right to receive electricity generated at the Tornio thermal power station, based on the company Tornion Voima Oy's shares or shares replacing them	120,000	204
Series T2		
- the right to receive electricity generated at the Raahe CHP power station, based on the company Raahen Voima Oy's shares or shares replacing them	49,531	84
Series W1		
- the right to receive electricity generated through wind power, based on the company Rajakiiri Oy's shares or shares replacing them	86,971	148
Series W2		
- the right to receive electricity generated through wind power, based on the company EPV Windpower Ltd's Series A shares or shares replacing them	26,756	45
Series W3		
- the right to receive electricity generated through wind power, based on the company Suomen Merituuli Oy's shares or shares replacing them	4,987	8

NOTES TO THE BALANCE SHEET (€1,000)

Share capital by share class	shares	€1,000
Series W4		
- the right to receive electricity generated through wind power, based on the company EPV Windpower Ltd's Series B shares or shares replacing them	259,325	441
Series W5		
- the right to receive electricity generated through wind power, based on the company EPV Windpower Ltd's Series C shares or shares replacing them	235,000	400
Series W6		
- the right to receive electricity generated through wind power, based on the company EPV Windpower Ltd's Series D shares or shares replacing them	500,000	850
Series W7		
- the right to receive electricity generated through wind power, based on the company EPV Windpower Ltd's Series E shares or shares replacing them	370,700	630
Series W8		
- the right to receive electricity generated through wind power, based on the company EPV Windpower Ltd's Series F shares or shares replacing them	340,000	578
	8,688,654	14,771

The owners of each share series shall bear the fixed costs of the series in question commensurate with the number of shares they own and variable costs commensurate with the quantity of energy they have taken.

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2023	2022	2023	2022
19. PROVISIONS FOR LIABILITIES AND CHARGES				
Other provisions for liabilities and charges	3,500	3,500	0	0
When production ceases, the company is responsible for dismantling the power plant and bringing the site to its former state.				
20. ACCUMULATED APPROPRIATIONS				
Depreciation difference of deferred tax liabilities	23,667	22,454	39	28
21. NON-CURRENT LIABILITIES				
Loans from financial institutions	432,211	403,959	71,100	51,100
Other liabilities	60,981	82,702	57,324	56,467
	493,192	486,660	128,424	107,567
Liabilities to associated companies				
Other liabilities	59,124	58,267	57,324	56,467
Liabilities maturing in more than five years				
Loans from financial institutions	63,487	78,745	0	0

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2023	2022	2023	2022
22. CURRENT LIABILITIES				
Loans from financial institutions	55,804	99,550	15,000	44,000
Advances received	168	168	0	0
Trade payables	44,862	36,699	28,475	22,209
Other liabilities	13,430	28,991	1,087	693
Accruals *)	24,819	14,591	15,905	6,838
	139,083	179,999	60,468	73,740
Liabilities to Group companies				
Trade payables	-	3	10,678	9,530
Accruals	-	-	328	0
	-	3	11,006	9,530
Liabilities to associated companies				
Trade payables	20,169	16,189	17,184	12,047
Other liabilities	0	4,214	0	305
Accruals	2,039	389	2,039	389
	22,208	20,792	19,223	12,740
*) Essential items included in accruals				
Electricity sales	11,262	3,411	11,262	3,411
LNG sales	0	0	328	0
Heat sales	89	0	0	0
Electricity purchases	1,124	0	0	0
Interest expenses	6,726	2,355	2,950	745

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2023	2022	2023	2022
Accrued emissions trading	0	1,185	0	1,071
Accrued external services	994	2,146	10	0
Fuel purchases	1,389	485	0	0
Accrued ash and other by-products	15	428	0	0
Accrued rental expenses	283	1,151	0	0
Accrued personnel expenses	2,374	2,115	1,258	1,182
Accrued income and energy taxes	434	648	0	310
Accrued VAT	31	0	0	0
Other	98	668	98	119
	24,819	14,591	15,905	6,838
23. COMMITMENTS				
Overdraft agreements				
Total amount of granted overdraft	139,000	150,000	40,000	40,000
Available	12,356	23,786	0	0
Leasing contract payments				
Maturing next financial year	451	420	68	48
Maturing later	514	472	106	81
	966	892	174	129

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2023	2022	2023	2022
Shares pledged, book value of shares				
From associated company's liabilities	1,818	1,818	1,818	1,818
Guarantees				
On behalf of Group company				
Granted electricity market collateral	62,200	102,200	60,000	100,000
Available	42,200	82,200	40,000	80,000
Other parent company guarantees	16,122	26,533	31,122	41,533
From associated company's liabilities	36,550	35,059	36,550	35,059
Other commitments	6,252	52,458	17	39,018
<p>The parent company has non-fixed-term lease agreements for premises in Vaasa and Helsinki. The agreements create a rental liability for the company.</p> <p>Wind power projects involve the usual, non-current rental liabilities to landowners and, after production has ended, the responsibility to dismantle equipment and bring the site to its former state.</p>				

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2023	2022	2023	2022
24. DERIVATIVE FINANCIAL INSTRUMENTS				
Interest and currency derivatives				
<p>In accordance with the company's financing policy, it only concludes derivative agreements with the purpose of hedging. The interest rate risk is hedged through interest rate swap agreements by converting floating rate loans into fixed interest rate loans. The hedging relationships are essentially efficient; in other words, the terms of the hedged risk and hedging instrument are well matched. The derivative instruments will terminate between 2024 and 2038. The fair value of interest rate swaps on the closing date is the best estimate of future interest expenses that the instruments incur, affecting the interest costs of future financial years.</p>				
Interest rate swaps (on closing date)				
Nominal value	221,120	262,607	47,000	86,000
Fair value	21,975	29,573	5,797	7,209
Forward foreign exchange contracts				
Value of underlying instrument	-	4,956	-	-
Fair value	-	-287	-	-
25. INTRA-GROUP TRANSACTIONS				

The Group's immediate circle includes affiliated and associated companies and shareholders. Transactions carried out with this immediate circle are part of EPV Energy's normal business operations. EPV Energy Ltd owns generation shares in various production companies. Under the Articles of Association, a shareholder is entitled to receive electricity in proportion to their shareholding and is obliged to bear the costs.

NOTES TO THE BALANCE SHEET (€1,000)	Group		Parent company	
	2023	2022	2023	2022
26. EMISSION ALLOWANCES				
Emissions trading period	2023-2025	2022-2025	2023-2025	2022-2025
	tn CO2	tn CO2	tn CO2	tn CO2
Allocated free emission allowances	371	456	-	-
Allocated per year	126	115	-	-
Use of emission allowances	2023	2022	2023	2022
	tn CO2	tn CO2	tn CO2	tn CO2
Total emissions	469	590	-	-
Emission allowances allocated without compensation 1 Jan	-127	-115	-	-
Emission allowance purchases	-332	-470	-	-
Deficit (+) / surplus (-)	10	6	-	-
Allocated available free emission allowances 31 Dec	250	399	-	-

Separate financial statements for electricity business activities

ELECTRICITY UNBUNDLING PRINCIPLES

The unbundled calculation has been prepared using the matching principle. Electricity business activities are the company's main business. Shareholdings are excluded from the electricity business, as they do not materially relate to the electricity business itself. The capitalisation of separate wholesale heat production in subsidiaries is not included in the electricity business activities.

INCOME STATEMENT €	1 Jan–31 Dec 2023	1 Jan–31 Dec 2022
Turnover	218,302,785.82	263,319,383.48
Manufacture for own use	112,582.20	0.00
Other operating income	8,346,671.50	5,153,279.34
Materials and services	-113,865,394.51	-206,406,619.96
Personnel expenses	-7,920,537.62	-7,613,685.82
Depreciation and impairment charges	-232,598.77	-290,060.87
Other operating expenses	-107,772,014.79	-58,327,598.95
Business result	-3,028,506.17	-4,165,302.78
Finance income and costs	-339,710.64	-645,560.06
RESULT BEFORE APPROPRIATIONS AND TAXES	-3,368,216.81	-4,810,862.84
Appropriations		
Difference between planned depreciations and tax depreciations	-54,639.46	-142,830.34
Group contributions received	50,000.00	50,000.00
	-4,639.46	-92,830.34
Income taxes	-29.80	-17,371.30
Result for the financial year	-3,372,886.07	-4,921,064.48

BALANCE SHEET €	31 Dec 2023	31 Dec 2022
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	1,122,053.84	240,315.38
Tangible assets	3,159,016.36	2,969,485.01
Investments		
Interests in Group companies	216,788,042.72	206,298,249.71
Interests in associated companies	123,063,701.54	123,668,265.32
Other shares and interests	190,123.94	190,123.94
TOTAL NON-CURRENT ASSETS	344,322,938.40	333,366,439.36
CURRENT ASSETS		
Non-current receivables	73,533,948.21	67,856,104.56
Current receivables	58,460,686.93	78,769,967.89
TOTAL CURRENT ASSETS	131,994,635.15	146,626,072.46
	476,317,573.55	479,992,511.82

BALANCE SHEET €	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES		
EQUITY		
Share capital	14,446,011.80	14,099,959.80
Share issue	0.00	865,300.00
Other funds		
Invested non-restricted equity reserve	285,450,463.20	289,382,463.20
Retained result	-53,486,837.32	-48,150,435.83
Result for the financial year	-3,372,886.07	-4,921,064.48
TOTAL EQUITY	243,036,751.61	251,276,222.69
ACCUMULATED APPROPRIATIONS		
Depreciation difference	196,972.12	142,268.39
LIABILITIES		
Non-current liabilities	173,670,504.52	157,863,938.16
Current liabilities	59,413,345.30	70,710,082.58
TOTAL LIABILITIES	233,083,849.82	228,574,020.74
	476,317,573.55	479,992,511.82

Signatures to the Board of Directors' report and financial statements

Proposal for recording the annual result

The distributable equity of the parent company amounts to EUR 329,585,111.75, of which the profit or loss for the financial year is EUR 1,728,335.85. The Board of Directors proposes to the General Shareholders' Meeting that no dividends are to be paid.

Vaasa 13 March 2024

Joakim Strand
Chairperson

Olli Arola

Stefan Damlin

Jaana Eklund

Jouni Haikarainen

Vesa Hätilä

Riku Kananen

Heikki Lappalainen

Anders Renvall

Hans-Alexander Öst

Rami Vuola
CEO

Auditor's note

We have today submitted the report on the conducted audit.

ERNST & YOUNG OY

Audit firm

Mikko Ryttilahti
Authorised Public Accountant (KHT)

Kristian Berg
Authorised Public Accountant (KHT)

Auditors' report

To the General Shareholders' Meeting of EPV Energy Ltd

FINANCIAL STATEMENT AUDIT

Auditors' opinion

We have audited the financial statements of EPV Energy Ltd (Business ID 0216734-9) for the financial year beginning on 1 January and ending on 31 December 2023. The financial statements comprise the Group's and the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion, the financial statements give a true and fair view of the Group's and parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's responsibilities for the audit of financial statements section of our report. We are independent of the parent company and of the Group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for an audit opinion.

Responsibilities of the Board of Directors and the CEO for the financial statements

The Board of Directors and the CEO are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the CEO are responsible for assessing the parent company's and the Group's ability to continue as going concerns, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the Group or cease operations, or there is no realistic alternative but to do so.

Auditor's responsibilities for the audit of financial statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the Group's internal control.

- Evaluate the appropriateness of the accounting principles applied and the reasonableness of the accounting estimates made by management and the information presented on these.

- Conclude on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the parent company or Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction,

supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER REPORTING REQUIREMENTS

Other information

The Board of Directors and the CEO are responsible for other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

We have obtained the report of the Board of Directors prior to the date of this auditors' report and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read this other information and, in doing so, consider whether this information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements, and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions based on the decisions of the General Shareholders' Meeting

We support that the financial statements should be adopted. The proposal by the Board of Directors for the disposal of the profit for the period is in compliance with the Limited Liability Companies Act. We support that the parent company's Members of the Board of Directors and the CEO should be discharged from liability for the financial period audited by us.

ERNST & YOUNG OY

Tilintarkastusyhteisö

Mikko Ryttilahti
KHT

Kristian Berg
KHT

